

BEFORE THE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE APPLICATION]
OF THE EMPIRE DISTRICT ELECTRIC] KCC Docket No. 19-EPDE-223-RTS
COMPANY FOR APPROVAL OF THE]
COMMISSION TO MAKE CHANGES IN]
CHARGES FOR ELECTRIC SERVICE]

DIRECT TESTIMONY OF

ANDREA C. CRANE

RE: REVENUE REQUIREMENTS

ON BEHALF OF

THE CITIZENS' UTILITY RATEPAYER BOARD

May 13, 2019

TABLE OF CONTENTS

	Page
I. Statement of Qualifications	4
II. Purpose of Testimony	5
III. Introduction	7
IV. Summary of Conclusions and Recommendations	12
V. Cost of Capital and Capital Structure	14
VI. Rate Base Issues	16
A. Utility Plant-in-Service:	16
1. Construction Work in Progress	17
2. Common Plant Allocation	21
3. Capitalized Merit Increases	22
B. Prepayments	23
C. Rate Base Summary	24
VII. Operating Income Issues	25
A. Labor Expenses	25
B. Incentive Compensation Expense	26
C. Prepaid Pension Expense	29
D. Medical, Dental and Vision Expense	38
E. Uncollectible Expense	39
F. Common Plant Allocation Expenses	40
G. Non-Recurring Expense	40
H. Rate Case Expense	42
I. Ice Storm Amortization Expense	44
J. Meals and Entertainment Expense	44
K. Membership Dues Expense	45
L. Miscellaneous Operating Expense	47
M. Property Tax Expense	47
N. Depreciation Expense	48
O. Amortization Overage Expense	49
P. State Income Tax Expense	50
Q. Federal Income Tax Issues	50
R. Interest Synchronization and Tax Rates	59

VIII.	Revenue Requirement Summary	60	
IX.	Other Ratemaking Issues	61	
	A.	Revenue Stabilization Rider	61
	B.	Capital Tracker	68
	C.	LED Tariff	73

Appendix A - List of Prior Testimonies

Appendix B - Supporting Schedules

Appendix C - Referenced Data Requests

1 **I. STATEMENT OF QUALIFICATIONS**

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

3 A. My name is Andrea C. Crane and my business address is 2805 East Oakland Park
4 Boulevard, #401, Fort Lauderdale, Florida 33306.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am President of The Columbia Group, Inc., a financial consulting firm that
8 specializes in utility regulation. In this capacity, I analyze rate filings, prepare expert
9 testimony, and undertake various studies relating to utility rates and regulatory
10 policy. I have held several positions of increasing responsibility since I joined The
11 Columbia Group, Inc. in January 1989. I have been President of the firm since 2008.

12
13 **Q. Please summarize your professional experience in the utility industry.**

14 A. Prior to my association with The Columbia Group, Inc., I held the position of
15 Economic Policy and Analysis Staff Manager for GTE Service Corporation, from
16 December 1987 to January 1989. From June 1982 to September 1987, I was
17 employed by various Bell Atlantic (now Verizon) subsidiaries. While at Bell
18 Atlantic, I held assignments in the Product Management, Treasury, and Regulatory
19 Departments.

20
21 **Q. Have you previously testified in regulatory proceedings?**

1 A. Yes, since joining The Columbia Group, Inc., I have testified in over 400 regulatory
2 proceedings in the states of Arizona, Arkansas, Connecticut, Delaware, Hawaii, Kansas,
3 Kentucky, Maryland, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, Rhode
4 Island, South Carolina, Vermont, Washington, West Virginia and the District of Columbia.
5 These proceedings involved electric, gas, water, wastewater, telephone, solid waste, cable
6 television, and navigation utilities. A list of dockets in which I have filed testimony since
7 January 2008 is included in Appendix A.

8

9 **Q. What is your educational background?**

10 A. I received a Master of Business Administration degree, with a concentration in Finance, from
11 Temple University in Philadelphia, Pennsylvania. My undergraduate degree is a B.A. in
12 Chemistry from Temple University.

13

14 **II. PURPOSE OF TESTIMONY**

15 **Q. What is the purpose of your testimony?**

16 A. On December 7, 2018, Empire filed an Application with the Kansas Corporation
17 Commission (“KCC” or “Commission”) for changes in its base rates for electric service.
18 The Company is proposing a base retail revenue increase of \$1,689,905. The Company is
19 also proposing to establish a Transmission Delivery Charge (“TDC”) Rider and to assign
20 \$3,166,367 to the TDC Rider. Therefore, the Company is seeking a total revenue increase
21 of \$4,845,272.

1 The Company’s revenue requirement claim reflects its proposal that shareholders
2 retain two-thirds of “the annual savings” resulting from the cash contributions made into
3 the pension fund by the Company. In addition to these proposed increases, Empire is
4 seeking authorization for a Revenue Stabilization Rider (“RSR”) and for a Capital Tracker
5 Rider. Empire is also proposing that it be permitted to offset 2018 and 2019 savings
6 resulting from the Tax Cut and Jobs Act of 2017 (“TCJA”) with increases in other cost of
7 service components. The Company is also proposing to establish a Tax Change Rider to
8 true-up certain tax refunds relating to excess deferred income taxes (“EDITs”) that resulted
9 from the TCJA. Finally, Empire is proposing to defer certain revenues and costs related to
10 implementation of a Light-Emitting Diode (“LED”) tariff for its street lighting customers.

11 The Columbia Group, Inc. was engaged by The State of Kansas, Citizens’ Utility
12 Ratepayer Board (“CURB”) to review the Company’s Application and to provide
13 recommendations to the KCC regarding certain policy issues as well as the Company’s
14 revenue requirement claim. Dr. J. Randall Woolridge is filing testimony on behalf of CURB
15 addressing cost of capital and capital structure issues. In addition, James Garren, of Snively,
16 King, Majoros and Associates, is filing testimony on behalf of CURB addressing
17 depreciation issues. Finally, Brian Kalcic, of Excel Consulting, is filing testimony on behalf
18 of CURB addressing rate design and class cost of service issues.

1 **III. INTRODUCTION**

2 **Q. What is the net impact on customers of the Company's proposed revenue increases?**

3 A. As mentioned previously, Empire is requesting a base rate revenue increase of \$1,689,905
 4 and the establishment of a TDC to recover an additional \$3,166,367. This results in a total
 5 revenue increase of \$4,856,272. Empire estimates that base rates currently include
 6 \$1,492,510 of revenues related to transmission-related costs. The Company's proposed base
 7 retail revenue requirement also includes approximately \$1,794,980 that is currently being
 8 recovered through the Asbury and Environmental Recovery Rider ("AERR") and \$555,293
 9 that is currently being recovered through the Ad Valorem Tax Surcharge Rider. Thus, the net
 10 impact of the Company's filing is a base revenue requirement increase of \$832,137 and an
 11 increase in transmission-related revenue requirements of \$1,673,857, as shown below¹:

12

	Base Rates	TDC Rider	Total
Revenue Increase	\$1,689,905	\$3,166,367	\$4,856,272
Estimated Transmission Revenues in Base Rates	\$1,492,510	(\$1,492,510)	--
Adjusted Revenue Increase	\$3,182,415	\$1,673,857	\$4,856,272
AERR Rider	(\$1,794,980)	--	(\$1,794,980)
Ad Valorem Tax Surcharge Rider	(\$555,293)	--	(\$555,293)
Net Impact	\$832,142	\$1,673,857	\$2,505,999

13
 14

¹ Response to CURB-106. While this chart reflects the net impact on customers, the actual base rate tariffs will increase by \$1,689,905 annually. In addition, the new TDC Rider tariff is designed to collect an additional \$3,166,367 annually.

1 CURB utilized the requested Revenue Increase of \$1,689,905 as the starting point in our
2 analysis. The Company’s requested base rate increase of \$1,689,905 results in an average
3 overall base revenue increase of 10.0%. The Company is proposing to increase base
4 revenues from the residential class by 16.0%, prior to accounting for the reductions in the
5 AERR and Ad Valorem Tax Surcharge Rider.
6

7 **Q. What is the most significant policy issue in this rate proceeding?**

8 A. The most significant policy issue in this case is the Company’s attempt to mitigate revenue,
9 investment, and expense risk to its shareholders. Empire has several proposals that, if
10 adopted, will transfer these risks from shareholders to ratepayers without any commensurate
11 reduction in the return on equity paid by Kansas ratepayers.

12 First, Empire is proposing to implement the RSR, which would result in a radical
13 change in the underlying regulatory mechanism used to set utility rates of Kansas customers.
14 This mechanism would largely decouple the Company’s base rate revenues from its electric
15 sales. Empire’s RSR would shield shareholders from the risk of revenue fluctuations
16 between base rate cases. Shareholders would essentially be held harmless from the risk of
17 revenue fluctuations from any cause if the proposed RSR is adopted.

18 The Company is also seeking to implement a new Capital Tracker mechanism, which
19 would allow Empire to recover the annual revenue requirement associated with certain
20 capital expenditures between base rate cases. While the RSR has the potential to both
21 increase and decrease customers’ bills, depending on actual usage, the Capital Tracker will

1 only result in further annual rate increases.

2 In addition to the RSR and Capital Tracker, Empire is also seeking to include in its
3 revenue requirement a new cost to ratepayers related to pension costs. The Company already
4 has a tracker for annual pension and Other Post Employment Benefit (“OPEB”) expenses,
5 which eliminates the risk of recovery for pension and OPEB expenses between base rate
6 cases. In this case, the Company is also seeking to retain a portion of market returns earned
7 by the pension trust funds, a proposal that is inconsistent with the agreement in KCC Docket
8 No. 10-EPDE-314-RTS (“10-314 Docket”) that established the pension and OBEP trackers.

9 Empire’s TDC proposal will also reduce the Company’s risk related to recovery of
10 transmission costs. These costs were previously included in base rates and were subject to
11 the same risks as other base rate costs between base rate case filings. By moving these costs
12 into a separate TDC Rider with a true-up mechanism, Empire will be reducing its risk
13 associated with recovery of the transmission-related revenue requirement.

14 Empire is also proposing to establish a Tax Change Rider in this case to true-up
15 certain tax refunds related to EDIT resulting from the TCJA. This proposal protects the
16 Company from returning too much to customers through credits related to EDIT. Finally,
17 Empire is proposing to defer certain changes in revenues and costs relating to the
18 implementation of a LED tariff for street lighting service. Empire Witness Jill Schwartz
19 states on her testimony at page 27 that “The revenue requirement established in this case
20 does not reflect the impact of the conversion to LED municipal street lights because it does
21 not have the necessary information to support or propose accounting adjustments.”

1 Therefore, the Company seeks authorization to defer lost revenues and incremental costs
2 associated with this conversion. While each of these proposals will be addressed more fully
3 later in my testimony, it is clear that Empire is attempting to shift risk from the Company's
4 shareholders to its ratepayers by putting forth the proposals outlined in its filing.

5
6 **Q. Is the Company also proposing to retain certain tax savings associated with the TCJA?**

7 A. Yes, it is. On January 18, 2018, the KCC initiated a General Investigation in Docket No. 18-
8 GIMX-248-GIV ("Docket 18-248") to examine certain issues relating to the TCJA. In the
9 Order initiating Docket 18-248, the KCC required the utilities to accrue federal income tax
10 savings resulting from the TCJA, for disposition in a future case. Empire, CURB, and Staff
11 subsequently entered into a Stipulation whereby Empire agreed to defer \$1,229,466 annually
12 until these tax savings were addressed in the Company's next rate case. The Company is
13 proposing to retain these tax savings for the benefit of shareholders, which is inconsistent
14 with the treatment of these tax savings by other Kansas utilities.

15
16 **Q. Has the Company proposed to balance this further reduction in risk with a lower
17 return on equity or a lower equity ratio?**

18 A. No, it has not. Dr. Woolridge will address the Company's requested cost of equity and
19 capital structure in more detail. However, the Company's return on equity claim of 10.2% is
20 excessive. Moreover, the Company's capital structure includes an equity ratio of 51.65%.
21 Therefore, while the Company is proposing several new mechanisms to reduce shareholder

1 risk, it is seeking a high equity return that would be applied to a high equity base, therefore
2 magnifying the impact on Kansas ratepayers.

3
4 **Q. In addition to the policy issues outlined above, what are the most significant accounting**
5 **issues in the Company's filing?**

6 A. The most significant accounting issues in the Company's filing are: a) the Company's
7 proposal that unprotected excess deferred income taxes be returned to ratepayers over a ten-
8 year period, b) inclusion of construction work in progress ("CWIP") in rate base, c) labor-
9 related increases, including costs for vacant positions, and d) proposed new depreciation
10 rates that will significantly increase annual depreciation expense. In addition, as already
11 noted, the Company is also seeking to retain certain investment returns related to funding of
12 the pension plan and to charge ratepayers a return on equity of 10.2%. All of these factors
13 will result in excessive rates for Kansas ratepayers.

14
15 **Q. How is your testimony structured?**

16 A. In Section IV of my testimony, I summarize my conclusions and recommendations. In
17 Sections V, VI, VII, and VIII, I address the Company's revenue requirement claim and
18 various accounting adjustments. I also propose several additional adjustments to those
19 proposed by Empire in its filing. These sections of my testimony are supported by the
20 Revenue Requirement Schedules provided in Appendix B. In Section IX, I address the
21 Company's proposed new Riders – the RSR, the Capital Tracker Rider – as well as the

1 Company's request to defer certain costs associated with implementation of the LED tariff.

2
3 **IV. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS**

4 **Q. What are your conclusions and recommendations concerning the Company's revenue**
5 **requirement and its need for rate relief?**

6 A. Based on my analysis of the Company's filing, on the recommendations of Dr. Woolridge
7 and Mr. Garren, and on other documentation in this case, my conclusions and
8 recommendations are as follows:

9 1. The twelve months ending June 30, 2018, is an appropriate Test Year to use in this
10 case to evaluate the reasonableness of the Company's claim.

11 2. As discussed by Dr. Woolridge, the Company has a cost of equity of 8.8% and an
12 overall cost of capital of 6.82%, utilizing a capital structure consisting of 51.65%
13 common equity and 48.35% long-term debt (see Schedule ACC-2).²

14 3. Empire has pro forma Test Year rate base of \$63,721,015 (see Schedule ACC-3).

15 4. The Company has pro forma operating income at present rates of \$4,966,656 (see
16 Schedule ACC-8).

17 5. Empire has a pro forma base revenue surplus of \$851,378 (see Schedule ACC-1).

18 This is in contrast to the Company's claimed revenue deficiency of \$1,689,905.

19

² Schedules ACC-1, ACC-34, and ACC-35 are summary schedules, ACC-2 is a cost of capital schedule, ACC-3 to ACC-7 are rate base schedules, and ACC-8 to ACC-33 are operating income schedules.

- 1 6. The amortization of EDITs should be reflected in base distribution rates. To
2 calculate the annual amortization credit, the KCC should utilize a five-year
3 amortization period for all unprotected deferred federal income taxes.
- 4 7. In addition to the amortization of excess deferred income taxes, Empire should also
5 refund to customers approximately \$2,062,798, plus interest, associated with federal
6 income tax savings from January 1, 2018 through the effective date of new rates.
- 7 8. If the KCC approves the Company’s request to establish a Tax Change Rider, it
8 should be limited to true-ups involving the refund of EDIT balances resulting from
9 the TCJA.
- 10 9. The KCC should reject the Company’s request to establish the RSR.
- 11 10. The KCC should reject the Company’s request to establish a new Capital Tracker for
12 costs associated with certain capital expenditures between base rate case filings.
- 13 11. If the KCC authorizes Empire to defer revenue losses and incremental costs
14 associated with the LED street lighting conversion, it should not rule on recovery of
15 any such deferral at this time. Instead, the KCC should examine the impact of the
16 LED conversion on revenues and costs in the Company’s next base rate case, and
17 determine at that time how much, if any, of the regulatory asset/liability should be
18 reflected in Kansas utility rates.

19

20 **Q. In evaluating the Company’s case, have you generally attempted to maintain the**
21 **integrity of the Test Year selected by Empire?**

1 A. Yes, I have. The KCC utilizes a historic Test Year in order to calculate regulated utility
2 rates. I am aware that in the past, the KCC Staff has frequently recommended updates to a
3 utility’s claim to reflect more recent data. As noted in cross-answering testimony that I have
4 filed in several cases, I believe that the use of extensive updates violates the principle that
5 rates should be set based on the matching of revenues, expenses, and investment over a
6 defined Test Year. Moreover, I believe that extensive updating also violates the historic Test
7 Year concept and can result in rates being set on what amounts to a future Test Year. For
8 these reasons, I have not attempted to update the Company’s claim to reflect post-test year
9 data, except in limited circumstances discussed later in my testimony.

10
11 **V. COST OF CAPITAL AND CAPITAL STRUCTURE**

12 **Q. Please provide a brief description of Empire.**

13 A. Empire is a wholly-owned subsidiary of Liberty Utilities (“Central”) Co., which in turn is
14 owned by Liberty Utilities Co. (“Liberty”), a subsidiary of Algonquin Power and Utilities
15 Corp. (“Algonquin”). Algonquin is a publicly-traded Canadian company. Liberty purchased
16 Empire in January 2017. As described on page 4 of Mr. Mertens’ testimony, Liberty has two
17 business units: a utility services unit that owns retail water, sewer, electric and gas utilities
18 serving 800,000 customers in 12 states and a power generation unit that owns or has an
19 interest in energy facilities with an installed capacity of 1100 MW.

20 Empire provides service to approximately 173,000 customers (including 145,600
21 residential customers) in southwest Missouri as well as in adjacent service areas in Kansas,

1 Oklahoma, and Arkansas. At June 30, 2018, Empire served 8,173 residential customers in
 2 Kansas, 1,294 commercial customers, 151 industrial customers, 52 public authority and street
 3 and highway customers, and one resale customer.

4
 5 **Q. What is the capital structure and cost of capital that the Company is requesting in this**
 6 **case?**

7 A. The Company utilized a capital structure consisting of 51.65% common equity and a 10.2%
 8 return on common equity. As shown in Section 7 of the Company's filing, Empire's cost of
 9 capital claim is composed of the following:

	Percentage	Cost	Weighted Cost
Long Term Debt	48.35%	4.70%	2.27%
Common Equity	51.65%	10.20%	5.27%
Total	100.00%		7.54%

10
 11
 12
 13
 14
 15 **Q. Is CURB recommending any adjustments to this capital structure or cost of capital?**

16 A. Yes, as addressed by Dr. Woolridge in his testimony, CURB is recommending that the KCC
 17 authorize a return on equity of 8.8% for Empire.

18
 19 **Q. What is the overall cost of capital that CURB is recommending for Empire?**

20 A. As shown on Schedule ACC-2, CURB is recommending an overall cost of capital for Empire
 21 of 6.82%, based on the following capital structure and cost rates:

1

	Percentage	Cost	Weighted Cost
Long-Term Debt	48.35%	4.70%	2.27%
Common Equity	51.65%	8.80%	4.55%
Total	100.00%		6.82%

2

3 Please see the testimony of Dr. Woolridge for a detailed discussion of CURB's cost of
4 capital and capital structure recommendations.

5

6 **VI. RATE BASE ISSUES**

7 **Q. What Test Year did the Company utilize to develop its rate base claim in this**
8 **proceeding?**

9 A. The Company selected the Test Year ending June 30, 2018.

10

11 **Q. Are you recommending any adjustments to the Company's rate base?**

12 A. Yes, I am recommending several adjustments. Specifically, I am recommending adjustments
13 to construction work in progress ("CWIP"), common plant, capitalized labor, and
14 prepayments.

15

16 **A. Utility Plant-In-Service**

17 **Q. How did the Company develop its claim for utility plant-in-service?**

18 A. Empire began with its actual utility plant-in-service balance at June 30, 2018. The Company
19 then made five adjustments to its Test Year plant balances. First, Empire excluded certain

1 generation assets at Iatan and Plum Point that were previously excluded from rate base by the
2 KCC in Docket No. 11-EPDE-856-RTS. Second, Empire made an adjustment to include in
3 rate base those projects that were CWIP at the end of the Test Year but which were expected
4 to be placed into service by January 31, 2019. Third, the Company excluded a portion of
5 common plant that was on its books but which should be allocated to gas operations. Fourth,
6 the Company included the capitalized portion of its post-test year merit increase labor
7 adjustment. Fifth, Empire excluded transmission plant that will be recovered through the
8 proposed TDC instead of through base rates.

9
10 **Q. What adjustments are you recommending to the Company's utility plant-in-service**
11 **claim?**

12 A. I am recommending adjustments to the Company's claims for CWIP, for common plant
13 allocated to gas operations, and for the capitalized portion of its merit increase adjustment.

14
15 **1. Construction Work in Progress**

16 **Q. Please discuss your adjustments relating to CWIP.**

17 A. The Company's utility plant-in-service claim includes CWIP of \$259,487 as shown in
18 Section 4, Workpaper 4-1, of the filing. I am recommending that the Commission reduce the
19 Company's CWIP claim to remove certain projects that were not completed by January 31,
20 2019.

21

1 **Q. What is CWIP?**

2 A. CWIP is plant that is under construction, but has not yet been completed and placed into
3 service. Once the plant is completed and serving customers, then the plant is booked to
4 utility plant-in-service and the utility begins to take depreciation expense on the plant.

5
6 **Q. How did Empire develop its claim for CWIP in this case?**

7 A. Empire included in rate base CWIP projects as of June 30, 2018 that were expected to be
8 placed into service by January 31, 2019, as stated by Ms. Schwartz on page 19 of her
9 testimony.

10

11 **Q. Do you believe that CWIP is an appropriate rate base element?**

12 A. No, I do not believe that CWIP is an appropriate rate base element. CWIP does not represent
13 facilities that are used or useful in the provision of utility service. In addition, including this
14 plant in rate base violates the regulatory principle of intergenerational equity by requiring
15 current ratepayers to pay a return on plant that is not providing them with utility service and
16 which may never provide current ratepayers with utility service. However, I understand that
17 the inclusion of CWIP in rate base is governed by statute.³

18 K.S.A. 66-128 provides for the KCC to determine the value of the property included
19 in rate base. The statute generally requires that “property of any public utility which has not
20 been completed and dedicated to commercial service shall not be deemed to be used and

³ I am not an attorney and my discussion of the CWIP statute is not intended as a legal interpretation of that statute,

1 required to be used in the public utility's service to the public." However, the statute also
2 provides that certain property "shall be deemed to be completed and dedicated to commercial
3 service" under certain circumstances. Specifically, K.S.A. 66-128(b)(2) provides:

4 Any public utility property described in subsection (b)(1) shall be deemed to
5 be completed and dedicated to commercial service if: (A) construction of the
6 property will be commenced and completed in one year or less; (B) the
7 property is an electric generation facility that converts wind, solar, biomass,
8 landfill gas or any other renewable source of energy; (C) the property is an
9 electric generation facility or addition to an electric generation facility; or (D)
10 the property is an electric transmission line, including all towers, poles and
11 other necessary appurtenances to such lines, which will be connected to an
12 electric generation facility.
13

14 **Q. Did the Company demonstrate that the CWIP included in its rate base claim meets the**
15 **criteria outlined in the statute?**

16 A. No, it did not. Empire did not attempt to justify its CWIP claim based on the statute
17 referenced above. The Company has included significant amounts of distribution plant,
18 general plant, and intangible plant in its CWIP claim. In response to CURB-110, the
19 Company provided an update of those projects that were included in its original rate base
20 claim, along with actual in-service dates. A significant portion of these projects were not yet
21 completed when Empire responded to that interrogatory. In addition, I note that Empire did
22 not attempt to demonstrate that each project included in its CWIP claim met the requirement
23 that the project commenced and was completed within one year. While much of the
24 Company's claim relates to generation projects, which would most likely qualify for
25 inclusion in rate base under the statute, there are other CWIP projects included in the

but rather provides my understanding of the statute from a ratemaking perspective.

1 Company's rate base claim that were not justified based on the requirements of the statute.

2
3 **Q. What do you recommend?**

4 A. I recommend that the KCC limit CWIP to those distribution, general and intangible projects
5 that were completed and in-service by January 31, 2019, as reported in the response to
6 CURB-110, as well as the generation projects that were booked to CWIP at the end of the
7 Test Year. Since Empire did not demonstrate that its claim for CWIP met the requirements
8 of the Kansas statute, the KCC may choose to eliminate all CWIP from the Company's rate
9 base claim. However, at a minimum, those projects that are not yet completed and placed
10 into service should be disallowed. Under the one-year requirement discussed above, projects
11 completed by January 31, 2019 should have been started by January 31, 2018 in order to be
12 included in rate base. Nevertheless, I am giving the Company the benefit of the doubt with
13 regard to distribution, general and intangible projects that were completed by January 31,
14 2019. At Schedule ACC-4, I have made an adjustment to eliminate the distribution, general,
15 and intangible CWIP projects that were not completed by January 31, 2019, based on the
16 Company's response to CURB-110.

17
18 **Q. Did you make corresponding adjustments to the Company's claims for accumulated**
19 **depreciation and for accumulated deferred income taxes ("ADIT")?**

20 A. Yes, I did. As part of its CWIP adjustment, Empire also made adjustments to reflect
21 additions to the reserve for depreciation and to the ADIT reserve associated with these plant

1 additions. Since I am recommending that a portion of the Company's CWIP adjustment be
2 disallowed, it is necessary to make corresponding adjustments to reduce Empire's reserve for
3 depreciation and its ADIT reserve, thereby eliminating those reserve additions relating to
4 CWIP that was not completed by January 31, 2019. These adjustments are also shown in
5 Schedule ACC- 4.

6
7 **2. Common Plant Allocation**

8 **Q. Please describe your adjustment relating to the allocation of common plant.**

9 A. While most of Empire's operations involve the provision of regulated utility service, Empire
10 has on its books certain common plant that is also used by the Empire District Gas Company,
11 by certain water operations, or by non-utility operations. In its filing, the Company allocated
12 a portion of this common plant to gas operations. However, in the response to KCC-289,
13 Empire acknowledged that a portion of this common plant should also have been allocated to
14 water operations and to non-utility services as well. Therefore, at Schedule ACC-5, I have
15 made an adjustment to allocate a portion of common plant to water and non-utility
16 operations, based on the revised allocations provided in response to KCC-289.

17
18 **Q. Did you make a corresponding adjustment to accumulated depreciation associated with
19 your common plant adjustment?**

20 A. Yes, I did. As shown in Schedule ACC-5, I also reduced the Company's depreciation reserve
21 to reflect an allocation of a portion of the reserve to water and non-utility operations,

1 consistent with the Company's response to KCC-289.

2
3 **3. Capitalized Merit Increase**

4 **Q. Please describe the Company's rate base claim related to merit increases.**

5 A. As will be discussed further in the Operating Income section of my testimony, Empire
6 included a labor adjustment to reflect post-test year merit increases through February 2019 in
7 its revenue requirement. Since a portion of labor costs are usually capitalized, Empire
8 increased its rate base claim to reflect that portion of its merit increase adjustment that the
9 Company estimates will be capitalized. Empire also included an addition to the depreciation
10 reserve to reflect that portion of the capitalized adjustment which would be amortized on a
11 pro forma basis.

12
13 **Q. Do you believe that that the Company's capitalized merit increase adjustment is**
14 **reasonable?**

15 A. No, I do not. While parties may disagree about whether post-test year labor adjustments
16 should be included in prospective utility rates, in my experience, regulatory commissions do
17 not typically adjust rate base to reflect the capitalized portion of labor adjustments – even in
18 cases where the labor expense adjustments are accepted by the regulatory commission. A
19 Company's rate base is intended to capture investment in utility operations at a point in time
20 – in this case at June 30, 2018. The Company's merit increase adjustment is based on
21 increases effective after the end of the Test Year, and the capitalized portion of the merit

1 increase adjustment reflects amounts capitalized up to one year past the effective date of the
2 merit increase. In this case, including the capitalized portion of the merit increases in rate
3 base would introduce a rate base component that would not be fully capitalized until
4 February 2020, or one full year past the effective date of the labor increase. The uncertainty
5 inherent in such an adjustment, as well as the fact that rate base generally represents
6 investment at a point in time, argue against the inclusion in rate base of the capitalized
7 portion of post-test year labor adjustments. Therefore, at Schedule ACC-6, I have made an
8 adjustment to eliminate the Company's rate base adjustments associated with capitalized
9 merit increases. This includes both Empire's adjustment to utility plant in service, as well as
10 its corresponding adjustment to accumulated depreciation.

11
12 **B. Prepayments**

13 **Q. How did the Company develop its rate base claim for prepayments?**

14 A. The Company's claim is generally based on a 13-month average, from June 2017 to June
15 2018, for each component of prepayments, as shown in Section 6, Workpaper 6.1 and the
16 workpapers to Adjustment 21 of the Company's filing.

17
18 **Q. Are you recommending any adjustment to the Company's claim?**

19 A. Yes, I am recommending one adjustment. The Company's prepayments claim includes
20 several categories of prepayments, including insurance, working funds, fuel, purchased
21 power, and others. For the most part, I have accepted the Company's use of a 13-month

1 average balance. The use of a 13-month average balance serves to smooth out fluctuations
2 that occur during the Test Year. However, as shown in the Company's workpapers, the
3 prepayment balance for purchased power does not depend on normal monthly fluctuations,
4 but rather on the underlying purchased power agreements that require prepayments. This is
5 illustrated by the fact that the monthly purchased power prepayment balances remained
6 unchanged from June 2017 through November 2017, but decreased in December 2018.
7 Moreover, the monthly balances for the last six months of the Test Year were identical to the
8 December 2017 balance. Therefore, it appears that the monthly balances from December
9 2017 through June 2018 were indicative of the underlying purchased power agreements in
10 place at the end of the Test Year. Accordingly, I recommend that the June 2018 purchased
11 power prepayments balance, which is also identical to the December 2017-May 2018
12 monthly balances, be used in the Company's prepayment calculation. My adjustment is
13 shown in Schedule ACC-7.

14
15 **C. Rate Base Summary**

16 **Q. What is the combined impact of your rate base adjustments?**

17 A. My recommended adjustments reduce the Company's rate base claim from \$63,773,350 as
18 reflected in its filing, to \$63,721,015, as summarized on Schedule ACC-3.

19

1 **VII. OPERATING INCOME ISSUES**

2 **A. Labor Expenses**

3 **Q. How did the Company determine its salary and wage claim in this case?**

4 A. Empire began with its actual Test Year costs. The Company then included a 3% post-test
5 year merit increase. Empire then made an additional adjustment to annualize labor costs for
6 vacant positions. Finally, the Company included an overtime adjustment, to normalize
7 overtime costs based on a five-year average, and to include the impact of the 3% merit
8 increase on overtime costs.

9
10 **Q. Are you recommending any adjustments to the Company's claims for labor costs?**

11 A. Yes, I am recommending several adjustments. First, I am recommending that the Company's
12 post-test year merit adjustment be disallowed. In response to CURB-114, the Company
13 indicated that merit increases for non-union employees would not be effective until February
14 18, 2019, more than seven months past the end of the Test Year. The Company also noted
15 that the collective bargaining agreement included a wage increase effective November 1 of
16 each year for union personnel. However, in the response to CURB –115, which requested
17 information on actual increases over the past three years, no post-test year increase was
18 reported until February 2019. The Company's proposed merit increase reaches too far
19 beyond the end of the June 30, 2018, Test Year in this case. Accordingly, at Schedule ACC-
20 9, I have made an adjustment to eliminate this merit increase from the Company's revenue
21 requirement.

1 On Schedule ACC-9, I have also made an adjustment to remove the merit increase
2 from the Company's overtime expense adjustment. While I have accepted the Company's
3 use of a five-year average to determine its pro forma overtime costs in this case, these costs
4 should not be further inflated by the post-test year merit adjustment.

5
6 **Q. Please discuss your recommended adjustment related to open positions.**

7 A. Empire has included almost \$2.4 million (total company) of costs related to vacant positions
8 in its revenue requirement claim. This includes not only direct Empire positions, but also
9 positions at Liberty, a portion of which are allocated to Empire. This adjustment ignores the
10 fact that most companies have vacant positions at any point in time, especially companies the
11 size of Empire and Liberty. Including these costs in utility rates would overstate the utility's
12 labor costs and require ratepayers to pay rates that are higher than necessary. Therefore, at
13 Schedule ACC-10, I have made an adjustment to eliminate the Company's adjustment from
14 my pro forma revenue requirement.

15
16 **B. Incentive Compensation Expense**

17 **Q. Please describe the Company's incentive compensation programs.**

18 A. The Company has several incentive compensation programs. First, the Company has a Long-
19 term Incentive Compensation Program ("LTIP") that provides equity awards for a select
20 group of executives and directors. These equity awards are generally performance-based
21 awards that are tied not only to certain operational performance benchmarks, but also to the

1 performance of Algonquin's stock relative to the performance of certain other utility
2 companies. The Company also offers a Short-Term Incentive Plan ("STIP") that provides an
3 annual, lump sum cash award. The STIP award is based on a targeted percentage of each
4 employee's base pay, with the potential award percentage varying depending on the grade
5 level of the employee.

6
7 **Q. How much is included in the Company's pro forma expense claim relating to incentive**
8 **compensation plans?**

9 A. According to the Company's response to CURB-117, Empire included \$12,589 in LTIP costs
10 in its claim. In addition, the Company has included \$63,319 of non-executive STIP costs and
11 \$7,955 of STIP costs for executives in its claim.

12
13 **Q. Do you believe that it is appropriate to recover these incentive award costs from**
14 **ratepayers?**

15 A. No, I do not. I have several objections to programs that recover incentive compensation
16 costs from ratepayers, especially those programs that provide equity awards based on stock
17 performance. Providing employees with a direct financial interest in the profitability of the
18 Company is an objective that benefits shareholders, but it does not benefit ratepayers.
19 Moreover, the LTIP awards are dependent not only on the stock performance of Algonquin,
20 but also on the stock price of other unrelated companies in the utility sector. These awards
21 go to a very small group of highly compensated executives. I do not believe that ratepayers

1 should be responsible for funding these equity incentive awards, which are offered entirely at
2 the discretion of company management.

3
4 **Q Has the KCC limited the recovery of incentive compensation costs in prior cases?**

5 A. Yes, it has. In KCC Docket No. 10-KCPE-415-RTS (“415 Docket”), the KCC found that
6 “[i]ncentive compensation awards tied to the Company’s financial interest will improve the
7 profitability of the company and, as a result, benefit shareholders more than ratepayers.”⁴ The
8 KCC also found that “relying upon the median of peer group statistics for a benchmark to
9 determine appropriate incentive compensation amounts can result in a continuing upward
10 spiral as each company seeks to increase their position among peers.”⁵ In that case, the KCC
11 eliminated certain incentive compensation costs that it found were directly related to
12 financial performance metrics. Although the STIP awards are not explicitly tied to financial
13 performance, there are financial components of these benchmarks, as well.

14
15 **Q. What do you recommend?**

16 A. I recommend that the KCC disallow 100% of the LTIP award costs included in the
17 Company’s filing. These awards benefit a very small group of individuals who are already
18 well compensated. My adjustment is shown in Schedule ACC-11. In addition, I recommend
19 that the KCC disallow 100% of the STIP award costs included in the Company’s filing for
20 executives and 50% of the STIP award costs for other management employees. This

⁴ KCC Order in KCC Docket No. 10-KCPE-415-RTS, November 11, 2010, page 46.

1 adjustment is shown in Schedule ACC-12.

2
3 **C. Prepaid Pension Expense**

4 **Q. How did the Company develop its pension and OPEB expense claims in this case?**

5 A. In Docket No. 10-EPDE-314-RTS (“10-314 Docket”), the Company received authorization
6 to establish two tracking mechanisms for its pension/OPEB costs. Specifically, the KCC
7 authorized the Company to establish Tracker 1 to record the difference between its annual
8 pension/OPEB expense pursuant to Generally Accepted Accounting Principles (“GAAP”)
9 and the annual expense included in utility rates. The KCC authorized the Company to
10 amortize the associated regulatory asset or liability over a period not to exceed five years in
11 the Company’s next base rate case. In addition, the KCC authorized the Company to
12 establish Tracker 2, a regulatory asset or liability to accumulate the difference between the
13 current year pension/OPEB contributions made by the Company and the current year GAAP
14 pension/OPEB costs. The Order in the 10-314 Docket stated that neither tracker would be
15 included in rate base in the Company’s next base rate case nor would either tracker accrue
16 carrying charges. The Settlement Agreement in the 10-314 Docket states that this treatment
17 “is intended to be consistent with the treatment of pension and other post employment benefit
18 costs outlined in Dockets 10-WSEE-135-ACT and 10-KGS-130-ACT.”

19 In the current case, Empire is proposing several adjustments relating to its pension
20 and OPEB costs. First, it is proposing that the Test Year amortizations of the prior pension

⁵ Id.

1 and OPEB deferrals recorded in Tracker 1 be eliminated. Second, it is proposing that the
2 current deferred pension and OPEB balances related to Tracker 1 be amortized over a five-
3 year period. Third, it is proposing adjustments to its annual pro forma pension and OPEB
4 costs based on updated actuarial studies. Finally, it is requesting that the KCC authorize
5 shareholders to retain two-thirds of what it terms “savings” related to funding of the pension
6 fund.

7
8 **Q. Are you recommending any adjustments to the Company’s proposals with regard to**
9 **pension and OPEB costs?**

10 A. I am not recommending any adjustments to its proposals to eliminate the prior period Tracker
11 1 amortization or to begin amortization of the current Tracker 1 balances over five years.
12 However, I am vigorously opposed to the Company’s proposal to “share” savings that it
13 alleges are generated by contributions to the pension fund.

14
15 **Q. How is pension cost determined for ratemaking purposes?**

16 A. Most state regulatory commissions, including the KCC, utilize the accrual methodology set
17 forth in Statement of Financial Accounting Standard (“SFAS”) 87.⁶ This is the methodology
18 that is required to be used for financial reporting purposes under GAAP. This
19 pronouncement was issued by the Financial Accounting Standards Board (“FASB”) in
20 December 1985. This methodology requires a company to accrue pension costs over the

6 The Financial Accounting Standards Board has now reclassified its pronouncements into Accounting Standards

1 working life of the employee.

2 Under SFAS 87, a company’s annual pension cost is calculated each year based on a
3 multi-factor formula. This calculation determines the amount of pension cost that must be
4 recognized for financial reporting purposes, based on numerous factors. The calculation
5 considers the accumulated amount that should have been accrued at the present time based
6 on the demographics of a company’s employees, the age at which such employees are likely
7 to retire, the expected future return on pension plan assets, assumptions regarding future
8 payroll levels, assumptions regarding an appropriate discount rate, and other factors. When
9 calculating the annual pension cost, certain gains and losses are amortized over a multi-year
10 period. This amortization helps to mitigate significant fluctuations that can occur from year
11 to year in pension fund earnings, as well as variations associated with changes in underlying
12 assumptions.

13 Thus, the calculation of the pension cost is a snapshot at a point in time. It is
14 impacted by what has happened in the past as well as what is expected to happen in the
15 future. In addition, there is a gradual true-up of past estimates with actual results over time.
16 Pursuant to SFAS 87, a pension cost can be either positive or negative. If it is positive, then
17 the pension plan does not have sufficient funds pursuant to the formula to meet its required
18 benefits and additional amounts must be accrued. In that case, ratepayers are required to
19 provide for additional recovery of costs in rates. If the pension cost is negative under SFAS
20 87, i.e., the accumulated annual accruals exceed the amounts required pursuant to SFAS 87,

Codification (“ASC”) categories. SFAS 87 is now identified as ASC-715. In this testimony, I will continue to refer

1 then ratepayers receive a credit in cost of service due to the fact that the pension cost was
2 higher than necessary in prior years, perhaps due to higher than anticipated market returns or
3 other factors.

4 The actual cash funding of the plan, i.e., the amount of cash contributions to the
5 dedicated trust that must be made by a company, is governed by the requirements of the
6 Employee Retirement Income Security Act (“ERISA”), the Pension Protections Act (“PPA”)
7 of 2006, and Internal Revenue Service (“IRS”) regulations. The minimum pension plan
8 contribution that must be made each year is determined pursuant to ERISA and the PPA,
9 while the IRS determines the maximum amount of any contribution that is deductible for
10 income tax purposes.

11 Many factors influence a company’s decision with regard to pension funding,
12 including tax considerations, the availability of cash, and a company’s financial position.
13 Thus, a utility’s funding decisions are dependent, at least in part, on its ability to manage its
14 earnings and/or to minimize its tax expense. Ratepayers should not be penalized as a result
15 of pension funding decisions made by Company management, especially when those
16 decisions are based on tax avoidance policies or other motives. Rather, utility rates should be
17 based solely on the annual cost of pension benefits approved by the KCC pursuant to SFAS
18 87.

19
20 **Q. Please briefly describe the pension and OBEP trackers that were authorized by the**

to SFAS 87.

1 **KCC.**

2 A. In the 10-314 Docket, the KCC authorized two trackers for pension and OPEB costs –
3 Tracker 1 and Tracker 2. Tracker 1 reflects the difference between the annual pension and
4 OPEB expense incurred by the Company and the amount of pension and OPEB expense
5 included in utility rates. Empire is permitted to defer these amounts to Tracker 1 and to
6 amortize the balance over a period not to exceed five years in a subsequent rate case.

7 Tracker 2 was also authorized in the 10-314 Docket. Tracker 2 reflects the cumulative
8 difference between actual pension and OPEB contributions to the pension trust and the
9 pension/OPEB costs recorded pursuant to GAAP.

10 A similar Tracker 2 mechanism was also authorized for other Kansas utilities in KCC
11 Docket No. 07-GIMX-1041-GIV (“07-1041 Docket”), which was the *Generic Investigation*
12 *into Commission Policy Regarding Pension and Retirement Costs for Investor-Owned*
13 *Utilities*. As stated on page 5 of the Staff Report and Recommendation filed in the 07-1041
14 Docket:

15 The utilities’ discretion can be used to manipulate the timing of contributions
16 to achieve maximum return in conjunction with the timing of the rate cases.
17 Furthermore, the timing and amount of contribution of the retirement trust
18 fund is a corporate financial decision. This decision is influenced by factors
19 such as tax considerations and the availability of alternative investments that
20 are unrelated to how the pension obligation is incurred.
21

22 Therefore, in the 07-1041 Docket, utilities were authorized to record Tracker 2 for financial
23 reporting purposes but Tracker 2 was not given ratemaking treatment. At that time, some
24 utilities argued that Tracker 2 should be included in rate base and should be entitled to earn

1 carrying costs. However, CURB and other parties opposed the inclusion of Tracker 2 in
2 utility rates. Accordingly, the parties entered into an agreement that authorized the
3 establishment of a tracking mechanism for pension and OPEB costs, i.e., Tracker 1, but
4 agreed that Tracker 2 would not receive ratemaking treatment.

5
6 **Q. Why was it important that Tracker 2 not be given ratemaking treatment?**

7 A. This was important for several reasons. First, it was important that utilities be prevented
8 from turning the funding of pension funds into a profit center. If the Kansas utilities were
9 permitted to include Tracker 2 in rate base and earn carrying costs at the authorized weighted
10 cost of capital, companies could borrow funds at low debt rates, invest these funds in the
11 pension trusts, and then charge ratepayers carrying charges at the overall authorized return on
12 capital, creating a windfall for the Company and its shareholders. Utilities have wide
13 discretion with regard to annual funding of the pension plans. There can be millions of
14 dollars between the minimum funding required in any given year and the maximum
15 contributions that are deductible for tax purposes. Utility rates should not be subject to this
16 wide discretion given to utility management on funding decisions regarding pension plans.

17 While the Company is not specifically requesting inclusion of a pension asset in rate
18 base in this case, its request for shareholders to retain two-thirds of “shared savings” relating
19 to pension funding is equivalent to permitting the Company to include a portion of a pension
20 asset in rate base. This request represents a material change in the terms of the agreements
21 reached in the 10-314 Docket.

1 **Q. Do you believe that the “shared savings” proposal is an attempt by Empire to get**
2 **around the “prohibition” on the Company recovering a return on the contributions**
3 **made to the pension and OBEP trusts?**

4 A. Yes, absolutely. The Company is prohibited from earning an explicit return on Tracker 2
5 pursuant to the agreement in the 10-314 Docket. Therefore, Empire developed another
6 approach that would allow it to increase shareholder returns while not directly recovering a
7 return on Tracker 2. The “shared savings” proposal is nothing more than an attempt to
8 repackage carrying costs on Tracker 2 into another mechanism that the Company can argue
9 does not violate the letter of the Settlement Agreement that originally established the pension
10 trackers. However, the “shared savings” proposal clearly violates the spirit of the Settlement
11 Agreement and is directly contrary to the representations made by the parties at that time.

12
13 **Q. Do you also have disagreements with the mechanics of the sharing proposal?**

14 A. Yes, I do. The earnings rate of 7.25% proposed by the Company is the projected market
15 return on plan assets used in the actuarial studies. Actual market returns can vary
16 significantly from the projected market returns, as is evidenced by the market losses suffered
17 by pension plans in the 2008 financial downturn. More importantly, ratepayers bear the risk
18 of market returns falling below expectations. This is because in the SFAS 87 formula used
19 to determine annual pension cost, the actual market value of the fund is one component used
20 in the calculation. So when market returns fall below expectations, annual pension costs
21 pursuant to SFAS 87 are higher than they would otherwise be, with the higher annual pension

1 costs being recovered from ratepayers.

2 The variances in market returns is another reason why the KCC should deny any
3 request to include Tracker 2 balances in the ratemaking equation. Funding pension plans at
4 higher than minimum levels may not always be beneficial, because in years when the market
5 falls, the loss to ratepayers is even greater than it would otherwise be.

6 Finally, I believe that the Company's proposal is disingenuous. I participated in the
7 10-314 Docket, as well as in similar dockets involving the other Kansas utilities. CURB
8 anticipated that the utilities might seek to include a pension asset in rate base, turning the
9 funding of these plans into a profit center for the utilities. We were assured at that time that
10 while the Tracker 2 mechanism was necessary to meet the requirements of the auditors, the
11 utilities would not seek to include a return on Tracker 2 in utility rates. It was only with this
12 assurance that CURB agreed to the Tracker 2 mechanism. Therefore, on behalf of CURB, I
13 feel misled now that we are presented with a request to allow shareholders to profit from
14 contributions made to the pension trust. It should be noted that when SFAS 87 was first
15 adopted, many companies found themselves with pension funds that were over-funded
16 relative to the pension costs incurred for financial reporting purposes. It is only over the past
17 few years, as stock market returns have become more volatile and as pension funding
18 mandates have been tightened, that companies have found it necessary to make large cash
19 contributions to their pension funds. In fact, many companies did not make any cash
20 contributions to their funds for many years after the adoption of SFAS 87. Thus, these
21 companies would have been required to include a reduction to rate base under the Company's

1 proposed methodology. I am not aware of any Kansas company that proposed such a rate
2 base reduction relating to the over-funding of pension plans during this period. It is only
3 now, given the requirement to make cash contributions, that some utilities have suddenly
4 decided that a rate base adjustment is appropriate.

5
6 **Q. Do you also have concerns about allocating two-thirds of any “shared savings” to**
7 **shareholders?**

8 A. Obviously, the Company’s proposal allocates more of the “shared savings” to shareholders
9 than to ratepayers. Ordinarily, I would be concerned about an allocation percentage that
10 favored shareholders over ratepayers. However, in this case, there are so many flaws with
11 the basic concept of the Company’s “shared savings” proposal that I don’t believe it is
12 necessary to even address the proposed allocation between ratepayers and shareholders. In
13 my view, the entire “shared savings” adjustment has been fabricated, violates sound
14 ratemaking principles, and is only an attempt to increase shareholder return. The KCC
15 should reject the adjustment outright, and therefore there is no need to address the specific
16 allocation methodology proposed by Empire.

17
18 **Q. Please summarize your recommendation.**

19 A. I recommend that the KCC reject the Company’s proposed “shared savings” adjustment. The
20 request for such an adjustment is untimely and the Company’s proposal is based on a flawed
21 concept. This adjustment is nothing more than an attempt by Empire to turn pension funding

1 into a profit center in violation of the agreement reached among the parties in the 10-314
2 Docket. At Schedule ACC-13, I have made an adjustment to eliminate the Company's
3 proposed "shared savings" expense adjustment.
4

5 **D. Medical, Dental and Vision Expense**

6 **Q. How did Empire determine its claim for health care costs in this case?**

7 A. Empire is self-insured for its health care costs. Therefore, its actual costs can fluctuate
8 significantly from year to year, depending on both the underlying cost of the health care
9 required by its employees and the amount of care that is required in any given year. Empire
10 developed its health care cost adjustment in two steps. First, the Company calculated a five-
11 year average of actual costs for its medical, dental and vision benefits. This calculation
12 resulted in an adjustment of \$138,101 to the Company's actual Test Year costs. Empire then
13 made an additional adjustment to reflect "anticipated" cost changes in 2019. This resulted in
14 an additional adjustment of \$1,737.
15

16 **Q. Are you recommending any adjustment to the Company's claim for health care costs?**

17 A. I am not recommending any adjustment to the five-year average calculated by Empire.
18 However, I recommend that the additional "anticipated" 2019 adjustment be rejected. The
19 purpose of using a five-year average is because these costs do in fact vary from year to year.
20 The multi-year average will seek to smooth out those fluctuations and serves as a proxy for a
21 normal, annualized level of such costs. There is no need, therefore, to make an additional

1 cost adjustment. Moreover, the 2019 anticipated adjustment is not known or measurable.
2 Therefore, at Schedule ACC-14, I have eliminated the additional 2019 healthcare cost
3 adjustment claimed by Empire.
4

5 **E. Uncollectible Expense**

6 **Q. How did the Company determine its uncollectible expense claim in this case?**

7 A. As shown in the workpapers to Adjustment No. 8, Empire first calculated a five-year average
8 of uncollectible expense. The Company then made an adjustment to actual Test Year
9 uncollectible expense to reflect this five-year average. Empire then calculated the five-year
10 average ratio of uncollectible expense to electric revenues, resulting in a ratio of 0.5%. The
11 Company then applied this ratio to its requested increases in this case to develop its total
12 uncollectible expense adjustment related to the proposed rate increase.
13

14 **Q. Are you recommending any adjustment to the Company's claim?**

15 A. Yes, I am recommending that the Company's uncollectible expense claim associated with its
16 proposed base rate increase be eliminated from the Company's revenue requirement.
17 Instead, I recommend that the revenue multiplier be adjusted to include an uncollectible
18 expense component. This will ensure that the level of uncollectible expense included in rates
19 is synchronized with the revenue decrease (or increase) ultimately awarded by the KCC. My
20 adjustment is shown in Schedule ACC-15.
21

1 **F. Common Plant Allocation Expenses**

2 **Q. Please explain the operating expense adjustments that you are recommending relating**
3 **to common plant allocations.**

4 A. As discussed in the Rate Base Section of my testimony, Empire has certain plant on its books
5 that is used to provide service to gas, water, and non-regulated operations, in addition to the
6 electric utility. While Empire made a rate base adjustment to remove some of this plant from
7 its rate base claim, it did not make corresponding adjustments to remove either depreciation
8 expense or property taxes associated with the common plant allocated to non-electric
9 operations. Therefore, at Schedule ACC-16, I have made an adjustment to exclude
10 depreciation expense and property tax expense associated with the common plant that is
11 allocated to gas, water, and non-utility operations. In calculating my adjustment, I utilized
12 the Company's current depreciation rates and the property tax rate of 1.115%, which is the
13 rate reflected by Empire in its filing.

14
15 **G. Non-Recurring Costs**

16 **Q. How are non-recurring costs generally treated for ratemaking purposes?**

17 A. Since new rates are established on a prospective basis, non-recurring costs are generally
18 excluded from a utility's authorized revenue requirement. Including these costs in rates
19 would not be representative of normal operating conditions, while allowing recovery of
20 previously-incurred costs would constitute retroactive ratemaking unless a regulatory asset
21 had been established by the KCC.

1 **Q. Has Empire included any non-recurring costs in its revenue requirement?**

2 A. Yes, the Company has included at least two such costs in its claim. First, as discussed in the
3 response to KCC-23, Empire experienced a failure at the Company's Energy Center Unit 4 in
4 June 2018. In the response to CURB-126, the Company quantified costs of \$42,054 related
5 to this failure at Energy Center Unit 4 that were allocated to Empire's Kansas operations and
6 included in its Test Year claim in this case. Second, as noted in the response to CURB-127,
7 the Company also expensed costs of \$13,061 related to work on an inventory software
8 system. Originally, Empire intended to expand the functionality of its inventory software
9 and so it capitalized these costs. However, it later determined that the updates did not
10 increase functionality but instead only added asset detail to the database. Therefore, these
11 costs no longer met the criteria for capitalization and were then expensed by Empire.

12
13 **Q. Are you recommending any adjustment to these non-recurring costs?**

14 A. Yes, I have made adjustments to remove both of these costs from the Company's revenue
15 requirement claim. My adjustment relating to the Energy Center Unit 4 failure is shown in
16 Schedule ACC-17 and my adjustment relating to the inventory software costs is shown in
17 Schedule ACC-18.

18

19

1 **H. Rate Case Expense**

2 **Q. How did the Company develop its rate case expense claim in this case?**

3 A. Empire is proposing to recover \$641,190 associated with the current rate case. The
4 Company’s rate case cost claim is based on the following cost estimates:

5

6 Attorney Fees	\$204,200
7 ROE Consultant	\$83,972
8 Cost of Service Study	\$130,159
9 Lead Lag Study	\$62,360
10 Depreciation Study	\$42,500
11 Regulatory Reform Consultant	\$102,000
12 Miscellaneous	\$16,000
13	
14 Total Projected Costs	\$641,190

15

16 Empire proposes to amortize this amount over three years, for an annual rate case expense
17 claim of \$213,730.

18

19 **Q. Are you recommending any adjustments to the Company’s claim?**

20 A. Yes, I am recommending that rate case costs associated with the Regulatory Reform
21 Consultant be disallowed.

22

23 **Q. What is the basis for your recommendation?**

24 A. As discussed later in this testimony, I am recommending that the KCC reject the Company’s
25 proposal to adopt several new regulatory mechanisms for Empire – including the RSR and

1 the Capital Tracker. The RSR is intended to significantly benefit shareholders by reducing
2 the risk of revenue fluctuations between base rate case filings. By severing the relationship
3 between revenues and sales, the RSR would shift risk from ratepayers to shareholders and
4 require ratepayers to make the Company whole for shortfalls in operating revenues. The
5 Capital Tracker would allow Empire to increase rates between base rate cases to recover the
6 revenue requirement associated with certain plant additions – thereby guaranteeing annual
7 rate increases for customers and higher earnings for shareholders. Since I am recommending
8 that both of these mechanisms be rejected, I am also proposing that the rate case costs
9 relating to these proposals be disallowed. My adjustment is shown in Schedule ACC-19.

10
11 **Q. Would CURB also support the disallowance of all rate case costs in this proceeding?**

12 **A.** Yes, we would. At a minimum, the KCC should disallow the costs of the Regulatory Reform
13 Consultant. However, CURB’s analysis demonstrates that Empire has no need for a base rate
14 increase at this time, and instead its base rates should be reduced. Accordingly, the KCC
15 may want to disallow recovery of all rate case costs in this case. While I have not made any
16 adjustment to the Company’s claim for rate case costs, other than the disallowance of the
17 Regulatory Reform Consultant, I would not be opposed to a total disallowance of rate case
18 costs in this case.

I. Ice Storm Amortization Expense

Q. Please describe the Test Year amortization expense related to a previous ice storm.

A. Empire is currently amortizing certain costs associated with a 2007 ice storm. These costs will not be fully amortized by the effective date of new rates in this case. However, there will be less than one year of amortization remaining when new rates become effective in this case. As shown in the response to KCC-322, Empire estimates that it will have an unamortized balance of \$110,567 at September 1, 2019 relating to the 2007 ice storm.

Q. Are you recommending any adjustment to the unamortized balance relating to this ice storm?

A. Yes, I am. Given the current amortization schedule, these costs will be fully amortized approximately 10 months after the effective date of new rates in this case. In order to avoid an overcollection of these costs by the Company, I recommend that the amortization schedule be changed to include a three-year amortization of the September 1, 2019 unamortized balance in new base rates. My adjustment is shown in Schedule ACC-20.

J. Meals and Entertainment Expense

Q. Are you recommending any adjustment to the Company's meals and entertainment expense claim?

A. Yes, I am. The Company has included in its filing \$4,417 of meals and entertainment expenses that are not deductible on the Company's income tax return. The IRS limits the

1 deductibility of meals and entertainments expenses to 50%. These are costs that the IRS has
2 determined are not appropriate deductions for federal tax purposes. If these costs are not
3 deemed to be reasonable business expenses by the IRS, it is reasonable to conclude that they
4 are not appropriate business expenses to include in a regulated utility's cost of service.
5 Accordingly, at Schedule ACC-21, I have made an adjustment to eliminate these costs from
6 the Company's revenue requirement. While there may be certain costs for meals that should
7 be borne by ratepayers, clearly there are also costs included in this category that should be
8 entirely excluded from the Company's revenue requirement. Therefore, my recommendation
9 to use the 50% IRS criteria provides a reasonable balance between shareholders and
10 ratepayers and should be adopted by the KCC.

11
12 **K. Membership Dues and Donations Expense**

13 **Q. Are you recommending any adjustment to the Company's claim for membership dues?**

14 **A.** Yes, I am. K.S.A. 66-101f(a) specifically provides:

15 For the purposes of determining just and reasonable rates, the
16 commission may adopt a policy of disallowing a percentage, not to
17 exceed 50%, of utility dues, donations and contributions to charitable,
18 civic and social organizations and entities, in addition to disallowing
19 specific dues, donations and contributions which are found
20 unreasonable or inappropriate.

21
22
23 At Schedule ACC-22, I have made an adjustment to eliminate 50% of the dues for various
24 Chamber of Commerce memberships from the Company's revenue requirement claim,
25 consistent with K.S.A. 66-101f(a). This adjustment is especially appropriate given that many

1 of these chambers engage in legislative advocacy and other lobbying activities. I am also
2 recommending that 50% of various donations and contributions be disallowed.

3 Lobbying costs are not necessary for the provision of safe and adequate utility
4 service. Moreover, the lobbying activities of a regulated utility may be focused on policies
5 and positions that benefit shareholders but may not benefit, and may even harm, ratepayers.
6 Regulatory agencies generally disallow costs involved with lobbying, since most of these
7 efforts are directed toward promoting the interests of the utilities' shareholders rather than its
8 ratepayers. Ratepayers have the ability to lobby on their own through the legislative process.
9 Moreover, lobbying activities have no functional relationship to the provision of safe and
10 adequate utility service. If the Company were immediately to cease contributing to these
11 types of efforts, in no way would utility service be disrupted. Clearly, these costs should not
12 be borne by ratepayers. In addition, in many cases these organizations undertake other
13 activities that do not benefit ratepayers, such as public affairs, promotions and media
14 activities. In addition, when calculating the dues that are attributable to lobbying, many
15 organizations take a very narrow view of what constitutes "lobbying," which effectively
16 results in an underreporting of lobbying costs. Accordingly, the provisions of K.S.A. 66-
17 101f(a) protect ratepayers from paying for membership dues that do not directly result in
18 ratepayer benefits. Therefore, at Schedule ACC-22, I have made an adjustment to eliminate
19 50% of the Chamber of Commerce dues, along with 50% of other donations and
20 contributions that are not necessary for the provision of safe and reliable utility service.

21

1 **L. Miscellaneous Operating Expense**

2 **Q. Are you recommending any additional operating expense adjustments?**

3 A. Yes, I am recommending exclusion of certain costs for promotional and sponsorship
4 advertising from the Company’s revenue requirement. In addition, I am recommending that
5 certain other costs, such as employee snacks and holiday gifts, be disallowed. These costs
6 are not necessary to the provision of safe and adequate utility service and accordingly should
7 be disallowed. Empire can certainly support these activities, but the costs should not be
8 charged to its ratepayers in Kansas. My adjustment is shown in Schedule ACC-23.

9
10 **M. Property Tax Expense**

11 **Q. Are you recommending any adjustment to the Company’s property tax expense claim?**

12 A. Yes, in addition to the property tax adjustment relating to common plant, included in
13 Schedule ACC-16, I am recommending one additional property tax expense adjustment. As
14 discussed earlier, I have made an adjustment to eliminate a portion of the Company’s CWIP
15 claim from its revenue requirement. At Schedule ACC-24, I have made a corresponding
16 adjustment to eliminate pro forma property tax expense associated with my CWIP
17 disallowance. To quantify my property tax expense adjustment, I have used the Company’s
18 proposed property tax rate of 1.115% and applied that rate to my recommended CWIP
19 disallowance.

1 **N. Depreciation Expense**

2 **Q. Is the Company proposing new depreciation rates in this case?**

3 A. Yes, it is. In its filing, the Company included new depreciation rates for Empire plant, based
4 on the recommendations of Empire witness Thomas Sullivan. In recommending new
5 depreciation rates for Empire, Mr. Sullivan relied primarily on a depreciation study
6 conducted in 2015, which was based on plant balances at December 31 2014. CURB's
7 depreciation rate recommendations are discussed in the testimony of James Garren. Mr.
8 Garren has reviewed the Company's proposed depreciation rates and the recommendations
9 made by Mr. Sullivan. In many cases, Mr. Garren is recommending depreciation rates that
10 differ from those proposed by Mr. Sullivan.

11
12 **Q. Have you made any adjustments to the Company's claim for pro forma depreciation**
13 **expense?**

14 A. Yes, I am recommending several adjustments. First, with regard to the Company's claim for
15 new depreciation rates, CURB witness James Garren is recommending new depreciation
16 rates for Empire that result in a significant reduction in depreciation expense from the
17 amount included in the Company's claim. Excluding the transmission assets that are being
18 allocated to the TDC Rider, the new depreciation rates proposed by Empire result in a pro
19 forma depreciation expense of \$3,949,538, an increase of \$414,582 based on Test Year plant
20 balances. However, Mr. Garren is recommending depreciation rates that result in annual
21 depreciation expense of \$2,816,184. Therefore, at Schedule ACC-25, I have made an

1 adjustment to reflect the new Empire depreciation rates proposed by Mr. Garren.

2 Second, I have made an adjustment to reduce Empire's depreciation expense claim,
3 consistent with my recommendation to exclude a portion of the Company's claim for CWIP.
4 This adjustment is shown in Schedule ACC-26.

5
6 **O. Amortization Overage Expense**

7 **Q. Please describe the adjustment made by the Company regarding amortizations**
8 **previously approved by the KCC.**

9 A. In Docket No. 10-EPDE-314-RTS, the KCC authorized Empire to amortize the rate case
10 costs incurred in litigating that case. The KCC also authorized Empire to amortize certain
11 costs associated with a 2007 wind storm. The Company fully recovered the costs related to
12 these amortizations prior to the end of the Test Year in this case. Therefore, in Adjustment
13 No. 10, the Company is proposing to return to customers the excess amounts that were
14 collected in rates through December 2018 relating to these two amortizations. Empire has
15 reflected a three-year amortization of the December 31, 2018 balances in its filing.

16
17 **Q. Are you recommending any adjustment to the Company's claim?**

18 A. Yes, I am recommending that the amount to be refunded be adjusted to reflect the total
19 amounts collected through August 29, 2019. Therefore, my recommendation increases the
20 balances to be refunded by approximately an additional eight months. I am not
21 recommending any adjustment to the Company's proposed three-year amortization period

1 related to these refunds. My adjustment is shown in Schedule ACC-27.

2
3 **P. State Income Tax Expense**

4 **Q. What state income tax rate did Empire use in this case?**

5 A. Empire's filing is generally based on a state income tax rate of 6.31%.

6
7 **Q. How did Empire determine this rate?**

8 A. According to the response to KCC-113, this rate is based on the Kansas statutory rate of
9 7.0%, adjusted to reflect the deductibility of 50% of Empire's federal income tax liability for
10 state income tax purposes. The Company indicated in that response that this deduction was
11 permitted in certain state jurisdictions. However, in the response to KCC-113, Empire also
12 acknowledged that this deduction is not permitted in Kansas, and that it would have been
13 more appropriate for the Company to utilize a state income tax rate of 7.0% in its filing
14 instead of the adjusted rate of 6.31%. Therefore, at Schedule ACC-28, I have made an
15 adjustment to reflect the statutory state income tax rate of 7.0%.

16
17 **Q. Federal Income Tax Issues**

18 **Q. Please summarize the impact of the TCJA on the Company's income tax expense.**

19 A. The TCJA, which became effective January 1, 2018, had a major impact on the cost of
20 service for regulated utilities, including Empire. The most significant feature of the TCJA
21 was the reduction in the corporate federal income tax rate from 35% to 21%. This reduction

1 in the federal income tax rate impacts Empire’s cost of service in two ways. First, beginning
2 January 1, 2018, the Company’s federal income tax liability was significantly reduced, due to
3 the reduction in the corporate income tax rate. In addition, the lower income tax rate results
4 in excess deferred income taxes that must be refunded to customers.

5
6 **Q. Did the KCC initiate an investigation on this issue?**

7 A. Yes, on January 18, 2018, the KCC issued an Order Opening General Investigation and
8 Issuing Accounting Order Regarding Federal Tax Reform (“Tax Reform Order”) in Docket
9 No. 18-GIMX-248-GIV (“18-248 Docket”). The Tax Reform Order was issued in response
10 to a Motion filed by Staff on December 14, 2017 requesting a general investigation on issues
11 relating to anticipated tax reform. The TCJA was signed into law on December 22, 2017 and
12 took effect January 1, 2018.

13 In the Tax Reform Order, the KCC required Kansas utilities to record a regulatory
14 liability for the difference between their federal income tax liability at the prior federal
15 income tax rate and their tax liability at the current rate. The Tax Reform Order also
16 required that interest be applied monthly based on the KCC’s current interest rate for
17 customer deposits. The purpose of the Tax Reform Order was to ensure that the any
18 potential tax benefits could be evaluated on a case-by-case basis by the KCC. The Tax
19 Reform Order also preserved the ability of the KCC to order future refunds relating to the
20 regulatory liability and put the utilities on notice that a portion of their rates should be
21 considered interim. The KCC also noted in its Tax Reform Order that utilities would have

1 the ability to argue that these tax savings should be offset with higher expense levels in other
2 areas. Finally, the Tax Reform Order stated that the KCC intended to capture excess
3 accumulated deferred income taxes for the benefit of customers using a method that is
4 consistent with tax normalization requirements.

5
6 **Q. Did Empire, CURB, and Staff subsequently enter into a Settlement Agreement in
7 Docket No. 18-GIMX-248-GIV?**

8 A. Yes, they did. The parties entered into a Settlement Agreement on June 21, 2018, and the
9 Settlement Agreement was subsequently approved by the KCC. Pursuant to the Settlement
10 Agreement, Empire agreed to accrue an annual regulatory liability of \$1,229,466. The
11 Company also agreed to accrue interest on the regulatory liability at the customer deposit
12 rate. As part of the Settlement Agreement, Empire reserved its right to argue that the
13 regulatory liability should be reduced or offset by other components of the cost of service
14 that have increased, while Staff and CURB reserved their rights to argue that there should be
15 no such offset. The Company also agreed that it would not begin amortizing the December
16 31, 2017 balance of excess deferred income taxes until its next general rate case, which is the
17 current case.

18
19 **Q. In the current case, how is Empire proposing to treat the annual regulatory liability
20 agreed to in the Settlement Agreement?**

21 A. As discussed in the testimony of Ms. Schwartz at page 25, Empire proposes that “once the

1 Commission has made a determination concerning the Company’s revenue deficiency in this
2 case, it can determine the offsetting effect of the change in the corporate tax rate.” Ms.
3 Schwartz also argues on page 24 of her testimony that Empire has demonstrated a revenue
4 deficiency based on the June 30, 2018 Test Year and “[t]his deficiency, which incorporates
5 the change in the corporate federal income tax rate, demonstrates that the benefit of the
6 decrease in the federal income tax rate has been offset by increases in other operating
7 expense and investments in capital.”

8
9 **Q. Do you believe that the Company should be required to refund the regulatory liability**
10 **associated with the change in the federal income tax rate?**

11 A. Yes, I do. Regardless of the revenue requirement ultimately approved by the KCC, the
12 prospective revenue requirement authorized in this case should not be used to determine
13 whether or not a refund of the regulatory liability is appropriate. This is because the rates
14 established in this case do not necessarily reflect the average cost of service during the period
15 that the regulatory liability was accrued. For example, any changes to current depreciation
16 rates that are approved by the KCC in this case will not have impacted the Company’s
17 earnings prior to the effective date of new rates. Similarly, the Company has included
18 significant other post-test year adjustments to investment, expenses, and revenues.
19 Therefore, the revenue requirement approved in this case will not necessarily be
20 representative of the Company’s revenue requirement during 2018 or 2019, prior to the
21 effective date of new rates. Therefore, I do not believe that the Company’s proposal is

1 appropriate for determining whether or not the KCC should order a refund of the regulatory
2 liability.

3
4 **Q. What standard do you recommend that the KCC apply in order to determine whether**
5 **the regulatory liability should be refunded to Kansas ratepayers?**

6 A. First, I note that in its Order initiating the 18-248 Docket, the KCC stated that the purpose of
7 considering refunds “is not to materially impact regulated utilities’ profitability, but rather,
8 ensure that the affected utilities are neither positively nor negatively impacted by the passage
9 of federal income tax reform.” If the KCC’s intent is truly to keep the utilities neutral with
10 regard to federal income tax reform, then clearly the regulatory liability should be refunded to
11 customers. If federal income tax reform is evaluated solely on the basis of its impact on
12 federal income tax expense, then it is undeniable that federal income tax reform saved the
13 Company \$1,229,466 annually beginning January 1, 2018, and these amounts should be
14 returned to ratepayers.

15 It should be noted that in their recent rate cases, both Westar Energy and KCP&L
16 agreed to refund to ratepayers the tax savings from January 1, 2018, through the effective
17 date of new rates. Moreover, Kansas Gas Service was recently ordered by the KCC to make
18 a similar refund to customers. Therefore, I recommend that the KCC similarly order Empire
19 to refund to ratepayers \$1,229,466 annually, from January 1, 2018, through the effective date
20 of new rates, within 60 days after new rates resulting from this case become effective. I
21 estimate that the refund will total \$2,062,798, plus interest at the applicable customer deposit

1 rate since January 1, 2018.

2
3 **Q. Does your recommendation to refund this regulatory liability have any impact on your**
4 **recommendation regarding base rates for Empire?**

5 A. No, it does not. The Company's pro forma revenue claim is based on normalized electric
6 sales at present rates and is not affected by this regulatory liability. In addition, since I am
7 recommending that this liability be refunded through a one-time credit to ratepayers, my pro
8 forma revenue requirement calculation is also unaffected by this regulatory liability. My
9 revenue requirement recommendation is impacted, however, by adjustments to the
10 Company's EDIT amortization, which is reflected in base rates as discussed below.

11
12 **Q. What are excess deferred income taxes?**

13 A. Excess deferred income taxes are the difference between the accumulated deferred income
14 tax liability booked at the prior tax rate of 35% and the accumulated deferred income tax
15 liability at the new tax rate of 21%.

16
17 **Q. How are excess deferred income taxes treated for ratemaking purposes?**

18 A. There are two types of excess deferred income taxes – protected and unprotected. Protected
19 excess deferred income taxes relate to deferred taxes associated with plant-related balances,
20 primarily related to accelerated depreciation methodologies (including bonus depreciation)
21 that were permissible for tax purposes but which were not reflected for ratemaking purposes.

1 Protected excess deferred income taxes are required to be returned to ratepayers using the
2 Average Rate Assumption Method (“ARAM”), which generally provides that the excess
3 deferred taxes cannot be flowed through to ratepayers more rapidly than the average
4 remaining life of the underlying property that gave rise to the deferred taxes.

5 Unprotected excess deferred taxes relate to differences between the tax and
6 ratemaking treatments afforded other types of costs, such as pension and benefit costs,
7 regulatory costs, and costs for which the Company accrues a reserve. Unprotected excess
8 deferred income taxes can also relate to plant-related timing differences other than those
9 related to depreciation. Utilities are not required to use ARAM to return unprotected excess
10 deferred taxes to ratepayers. Instead, unprotected excess deferred taxes can be flowed-
11 through for ratemaking purposes over any “reasonable” period.

12
13 **Q. Please summarize the Company’s proposal with regard to issues related to the TCJA**
14 **and its impact on excess deferred income taxes.**

15 A. Empire is proposing that protected excess deferred income taxes be returned to ratepayers
16 using the ARAM methodology. This is the methodology that is required by the IRS and it
17 will result in an amortization period of approximately 40 years as reflected in Empire’s
18 filing. The Company is proposing to return unprotected excess deferred income taxes to
19 ratepayers over a period of ten years. In addition, Empire is proposing to establish a Tax
20 Change Rider (“TCR”) to true-up the remeasured EDIT each year with the credit reflected in
21 base rates.

1 **Q. Are you recommending any adjustments to the Company’s proposals regarding the**
2 **treatment of excess deferred income taxes?**

3 A. Yes, I am recommending that unprotected excess deferred income taxes associated with
4 unprotected plant balances be returned to ratepayers over a period of five years instead of
5 over the ten-year period proposed in Empire’s filing. The Company is permitted to utilize
6 any reasonable methodology to return the unprotected excess deferred income tax balances to
7 ratepayers. A five-year amortization period was recently adopted for KCP&L and for KGS.
8 In addition, a five-year amortization period is also being used for certain unprotected excess
9 deferred income taxes by Westar.

10 The ten-year period to return these excess deferred income taxes, as proposed by
11 Empire, is unreasonable and unnecessary. Returning the excess deferred income taxes over
12 five years is not only consistent with the periods used by other Kansas utilities, but it will
13 also minimize intergenerational inequity. The longer period also creates greater uncertainty
14 regarding whether ratepayers will actually receive the refunds to which they are entitled. It is
15 difficult to say what might happen over the next 10 years to affect the return of these excess
16 deferred income taxes. For all these reasons, I recommend that the KCC adopt a five-year
17 period for the return of unprotected excess deferred income taxes, consistent with the five-
18 year amortization period adopted by other utilities in the state. My adjustment is shown in
19 Schedule ACC-29. To calculate my adjustment, I used the Company’s updated estimated
20 EDIT balance, as provided in the response to KCC-272. Since the Company is proposing to
21 implement a TCR to true-up actual EDIT balances with the amounts reflected in base rates, it

1 is reasonable to utilize the most recent information regarding EDIT balances.

2
3 **Q. Did you also update the balance for protected EDIT, which is being returned to**
4 **ratepayers based on the ARAM methodology?**

5 A. Yes, I did. In response to KCC-272, Empire provided updated balances for both unprotected
6 and protected EDIT. Therefore, at Schedule ACC-30, I have made an adjustment to update
7 the Company's claim for refunds relating to protected EDIT as well.

8
9 **Q. Please describe the Tax Change Rider that Empire proposed in this case.**

10 A. As discussed in the response to KCC-247, Empire is proposing a Tax Change Rider to reflect
11 "the difference between the actual yearly amortization of excess ADIT and the estimated
12 amortization included in base retail rates...Furthermore, the Tax Change Rider's true-up
13 mechanism would reflect updates such as differences in actual billing determinants versus
14 estimated billing determinants, credit impacts after finalizing corporate tax returns, and/or
15 audit adjustment."

16
17 **Q. Do you support the Tax Change Rider that Empire is proposing in this case?**

18 A. I am not opposed to the Company's proposal to establish a Tax Change Rider in this case,
19 provided that it be limited to true-ups relating to EDIT that result from the TCJA. The Tax
20 Charge Rider should not be used by Empire as a mechanism to move other tax components
21 from base rates to a clause mechanism. Therefore, I am not opposed to the use of a rider to

1 true-up EDIT amortizations relating to the TCJA, but I would oppose any attempt by the
2 Company to broaden the rider to include other tax changes at this time.

3
4 **R. Interest Synchronization and Tax Rates**

5 **Q. Have you adjusted the pro forma interest expense for income tax purposes?**

6 A. Yes, I have made this adjustment at Schedule ACC-31. It is consistent (synchronized) with
7 CURB's recommended rate base, capital structure, and cost-of-capital recommendations.
8 CURB is recommending a lower rate base than the rate base included in the Company's
9 filing. The result of CURB's recommendation is a decrease in pro forma interest expense for
10 the Company. This lower interest expense, which is an income tax deduction for state and
11 federal tax purposes, will result in an increase to the Company's income tax liability under
12 CURB's recommendations. Therefore, CURB's recommendations require an interest
13 synchronization adjustment to reflect a higher income tax burden for the Company and a
14 decrease to pro forma income at present rates.

15
16 **Q. What income tax factors have you used to quantify your adjustments?**

17 A. As shown on Schedule ACC-32, I have used a composite income tax factor of 26.53%,
18 which includes a state income tax rate of 7.00% and a federal income tax rate of 21%.

1 **Q. What revenue multiplier have you used to calculate your recommended base revenue**
2 **adjustment?**

3 A. Based on the state and federal tax rates discussed above, I have used a revenue multiplier of
4 1.3679, as shown in Schedule ACC-33. In addition to state and federal taxes, my revenue
5 multiplier also includes the impact of uncollectible expense at a rate of 0.5%.

6
7 **VIII. REVENUE REQUIREMENT SUMMARY**

8 **Q. What is the result of the recommendations contained in your testimony?**

9 A. My adjustments show that Empire has a revenue surplus at present rates of \$851,378, as
10 summarized on Schedule ACC-1. CURB's recommendations result in revenue requirement
11 adjustments of (\$2,541,282) to the Company's requested base revenue increase of
12 \$1,698,905. In addition, ratepayers will see further decreases in base rates with the roll-in of
13 the AERR Revenues and the Ad Valorem Tax Surcharge, and will also benefit from the
14 refund of the tax savings from January 1, 2018 through the effective date of new rates.

15
16 **Q. Have you quantified the revenue requirement impact of each of your**
17 **recommendations?**

18 A. Yes, at Schedule ACC-34, I have quantified the revenue requirement impact of the rate of
19 return, rate base, revenue, and expense recommendations contained in this testimony.

20

1 **Q. Have you developed a pro forma income statement?**

2 A. Yes, Schedule ACC-35 contains a pro forma income statement, showing utility operating
3 income under several scenarios, including the Company's claimed operating income at
4 present rates, my recommended operating income at present rates, and operating income
5 under my proposed rate decrease. My recommendations will result in an overall return on
6 rate base of 6.82%, as recommended by Dr. Woolridge.

7

8 **IX. OTHER RATEMAKING ISSUES**

9 **A. Revenue Stabilization Rider**

10 **Q. What is the RSR?**

11 A. The RSR is a decoupling mechanism being proposed by Empire that would sever the
12 relationship between sales and revenues and provide the Company with a guaranteed revenue
13 stream. Decoupling mechanisms guarantee a utility a certain revenue (or margin) stream
14 regardless of actual utility sales.

15

16 **Q. Please summarize the Company's proposed revenue decoupling mechanism.**

17 A. Empire is proposing that the KCC establish an adjustment mechanism to compare actual
18 revenues, by rate class, with revenues for that class that are authorized in this base rate case.
19 The RSR would be computed monthly and for application on customer bills in the second
20 succeeding month. The calculation for the RSR mechanism would be as follows:

21

1
$$\text{RSA} = (A - B + C) / D, \text{ where}$$

2 RSA = The monthly Revenue Stabilization Adjustment factor for the rate class in \$ per kWh

3 A = Actual Base Rate Revenues for the class

4 B = Authorized Base Rate Revenues for the class

5 C = Cumulative true-up for over/under collection

6 D = Forecasted kWh sales for the second succeeding month for the rate class

7
8 The Company is not proposing to apply carrying costs to over or under-recoveries.
9 Empire is not proposing to apply any cap or limit to RSR adjustments. The Company is not
10 proposing any adjustment to return on equity if the RSR is adopted, nor is the Company
11 proposing to apply any earnings test.

12
13 **Q. What is the Company's rationale for requesting the RSR?**

14 A. Empire states that the RSR is necessary due to the fact that "sales volumes have declined
15 even though the need to maintain service reliability, to replace aging infrastructure, and to
16 address public policy objectives have continued, or even increased."⁷ The traditional
17 regulatory ratemaking mechanism that has served Kansas ratepayers well for many years is
18 no longer adequate from the Company's perspective.

19
20

7 Testimony of Mr. Hevert, page 6.

1 **Q. What rate classes does the Company propose to include in its RSR?**

2 A. The Company proposes to apply the RSR to the following rate classes: Residential General
3 (RG), Residential Heating (RH), Small Commercial Building Service (SH), and Small
4 Commercial Total Electric Service (TEB). Larger commercial and industrial customers
5 would not be included under the Company's proposal.

6
7 **Q. Could the RSR permit the Company to earn more than its authorized rate of return?**

8 A. Yes, it could. The Company's proposed mechanism only examines revenues, not associated
9 costs or investments. In addition, there is no earnings test proposed by Empire. Therefore, in
10 the event of a revenue shortfall, Empire would still be permitted to apply a rider adjustment,
11 even if the Company was otherwise earning its authorized rate of return.

12
13 **Q. Please summarize your concerns regarding Empire's proposed revenue decoupling
14 mechanism.**

15 A. I oppose the RSR for several reasons. First, the RSR is a significant and fundamental change
16 in utility regulation. Second, the Company has not demonstrated that such a mechanism is
17 necessary. Third, Empire's proposal would reduce risk to shareholders and increase costs to
18 ratepayers. Although Empire's proposal will significantly decrease its overall business risk,
19 the Company did not include any reduction in its claimed cost of equity to reflect this risk.
20 Finally, revenue decoupling sends the wrong conservation signals to ratepayers.

21

1 **Q. Please describe why you view the decoupling mechanism as a significant departure**
2 **from traditional ratemaking.**

3 A. Ratemaking was established as a substitute for competition and designed so that utilities
4 would have an opportunity, but not a guarantee, to earn the return on capital awarded in rates.
5 If revenues are trued-up for fluctuations in actual sales, then the utility is approaching a
6 guaranteed rate of return. Traditional regulation bases rates on normal conditions with the
7 understanding that in some years, a utility may over-earn its authorized return and, in some
8 years, it may under-earn. The utility can file a rate case if it believes it will under-earn in
9 future periods. If the risk of sales volatility is eliminated, as proposed by Empire, then only
10 expenses, often controllable by the Company, can significantly move the bottom-line
11 earnings results. Regulation was supposed to be a substitute for competition. In a
12 competitive market, companies are not guaranteed a certain revenue stream. Such a
13 guarantee should not be provided to utilities either.

14
15 **Q. Why do you believe that the RSR is unnecessary?**

16 A. Historically, electric consumption generally increased each year up until a few years ago,
17 when the growth in electric consumption began to slow and in some cases, consumption
18 declined. This led many electric companies to argue in favor of revenue decoupling
19 mechanisms to mitigate the impact of changing consumption patterns. However, more
20 recently, it appears that this decline has slowed and with improvements in general economic
21 conditions, the industry may again begin to experience annual growth in energy consumption.

1 More importantly, Empire has successfully operated without a base rate increase for much of
2 the past decade, in spite of slower growth. In fact, CURB’s analysis demonstrates that
3 Empire is currently recovering its revenue requirement and that no increase in base rates is
4 warranted – all of which suggests that the utility is doing well under the traditional
5 ratemaking approach. Thus, Empire is requesting that the KCC approve a fundamental
6 change in the regulatory process without any evidence that such a change is necessary at this
7 time.

8
9 **Q. Why do you believe that a revenue true-up mechanism, such as the RSR, would**
10 **harm utility ratepayers?**

11 A. Ratepayers will suffer for several reasons. First, with a decoupling mechanism, a utility has
12 less incentive to be attentive to its business. If revenues are to be artificially maintained
13 between base rate cases, then the management of a utility can grow inattentive to certain
14 aspects of its business, knowing that its bottom line is enormously cushioned through a
15 guarantee of revenues. If its proposal is adopted, Empire can be less concerned with the
16 absolute price of electric service, since decreases in consumption will no longer impact the
17 Company’s bottom line. When a utility has no incentive to contain costs, it may devote very
18 little attention to providing utility service at the lowest possible cost. Ratepayers should pay
19 for attentive management, not cosseted management that is immune from the consequences
20 of its own decision-making.

21 In addition, ratepayers value certainty. The RSR will add another element of

1 uncertainty to utility rates, since ratepayers may be responsible for additional costs that will
2 be imposed through a monthly rate rider.

3 Finally, the Company’s proposal will shift all revenue risk onto ratepayers. However,
4 ratepayers will not be compensated for this additional risk since the Company’s proposal
5 does not include any decrease in its cost of equity, even though the RSR greatly reduces the
6 earnings risk of Empire.

7
8 **Q. Why do you believe that Empire’s decoupling proposal sends the wrong conservation**
9 **signals to ratepayers?**

10 **A.** From the ratepayers’ perspective, decoupling provides a disincentive to conserve because
11 rates go up the more they conserve - even if the Company is already earnings its authorized
12 rate of return. Therefore, ratepayers will see higher rates as their conservation efforts
13 increase.

14 Decoupling also shifts costs among consumers. Assume a particular customer does
15 not conserve and provides the targeted level of revenue. This customer will still be
16 responsible for paying the surcharge based on the usage of other customers. Thus, additional
17 ratepayer charges, in the form of the RSR rider, are possible under Empire’s proposal
18 regardless of the actions of any particular customer. In addition, these rate increases will take
19 place without the benefit of a base rate case. I am particularly concerned with the scenario of
20 Empire earning an adequate, or even an excessive, rate of return, and still being allowed to
21 impose a surcharge on customers.

1 **Q. Is Empire’s proposal a furtive effort to significantly increase their fixed customer**
2 **service charges?**

3 A. Absolutely. Decoupling mechanisms are alternatives to high fixed customer service charges.
4 Utilities have been arguing for years that they should recover more of their costs through
5 fixed customer service charges. Adopting a decoupling mechanism is equivalent to adopting
6 fixed service charges that recover 100% of a utility’s fixed costs. However, since both
7 utilities and regulatory agencies know that high fixed customer charges are unpopular, they
8 mask these charges through a decoupling surcharge. If the Company believes that it is
9 entitled to guaranteed recovery of fixed costs, the Company should put forth an honest rate
10 design proposal, instead of attempting to impose guaranteed recovery through the RSR.

11
12 **Q. What is your recommendation regarding revenue decoupling?**

13 A. I recommend that the KCC deny Empire’s proposal on the basis that it represents a
14 fundamental change in utility regulation and has not been adequately supported by the
15 Company. In addition, the proposed mechanism significantly decreases risk to shareholders
16 at the expense of ratepayers and provides an opportunity for excessive earnings. Finally, it
17 sends the wrong conservation signal to ratepayers and it will discourage customer
18 conservation.

19
20 **Q. If, in spite of your recommendation, the KCC accepts the Company’s proposal, what**
21 **would be the impact on the Company’s cost of equity?**

1 A. If a decoupling proposal is adopted, the impact on cost of equity must be evaluated by the
2 KCC. Since decoupling removes the Company’s single largest risk, i.e., revenue risk, there
3 should be a commensurate reduction to cost of equity if the KCC adopts a decoupling
4 mechanism.

5

6 **B. Capital Tracker**

7 **Q. Please explain the Company’s proposal to implement a capital tracker.**

8 A. As described in the testimony of Mr. Lyons, the Company is proposing to implement a
9 Capital Tracker to recover the annual revenue requirement associated with capital
10 investments between base rate case filings. Mr. Lyons states on page 51 of his testimony that
11 the Company proposes to limit the Capital Tracker to investments related to: (1) Grid
12 Resiliency, (2) Generation Capacity, and (3) Other Investments. The Company is proposing
13 that the revenue requirement associated with incremental investment would be reflected in
14 rates in the year after the investment was placed into service. Empire also proposes a true-up
15 mechanism to true-up the difference between the actual amounts collected under the rider
16 and the amount approved by the KCC. Empire proposes that the Capital Tracker include a
17 return on investment, depreciation expenses, and incremental operating costs.

18 Mr. Lyons argues that the proposed Capital Tracker will stabilize customer bills by
19 implementing gradual rate changes, will ensure funding so that the Company can invest in
20 maintaining a safe and reliable utility, and will reduce the number of rate cases.

21

1 **Q. Will the Capital Tracker stabilize customer bills?**

2 A. No, just the opposite is true. The Capital Tracker will actually increase the rates to Kansas
3 customers each year.

4
5 **Q. Is the Company’s proposed Capital Tracker targeted to selected investment programs
6 or to specific reliability objectives?**

7 A. No, as presented in Mr. Lyons’ testimony, virtually any investment could qualify for recovery
8 through the Capital Tracker. While the Company did identify two specific categories of plant
9 that would qualify, i.e., grid resiliency and generation capacity, the third category included in
10 the tracker is “Other Investment” – meaning that virtually any other investment project would
11 qualify. Moreover, Empire did not identify a specific problem that the Capital Tracker was
12 intended to address or propose any performance benchmarks that could be used to measure
13 reliability improvements associated with the tracker.

14 Moreover, the Company has always had, and continues to have, a long-standing
15 obligation to make the infrastructure replacements that are necessary to ensure the
16 continuation of safe and reliable service. Replacing aging infrastructure is an integral part of
17 managing any utility distribution system. The regulatory compact provides that in exchange
18 for being granted a monopoly franchise area, a utility will provide safe and reliable utility
19 service at reasonable rates. The obligation to provide safe and reliable service is a
20 cornerstone of the utility’s obligations. Thus, the concept of replacing infrastructure, when

1 required, is not new or novel. Rather, this is a fundamental obligation of any utility
2 company.

3
4 **Q. Has Empire shown that a Capital Tracker will reduce the frequency of rate case**
5 **filings?**

6 A. No, it has not. Empire is not proposing a rate case moratorium in the event that the Capital
7 Tracker is implemented. In addition, Empire has done a good job of avoiding rate cases over
8 the past several years, in spite of not having such a tracking mechanism in place. I realize
9 that the settlement agreement in the Liberty acquisition case was largely responsible for the
10 fact that Empire has not filed a base rate case in several years. Nevertheless, our analysis
11 shows that the Company still has no need for a base rate increase. At this time, there is no
12 indication that a Capital Tracker will actually result in fewer base rate filings.

13
14 **Q. What is the impact on shareholders of the Company's proposed Capital Tracker?**

15 A. Contrary to economic theory and good ratemaking practice, the proposed Capital Tracker
16 will increase shareholder return while significantly reducing risk. Shareholder return is
17 directly proportional to the amount of investment made by the utility. Since shareholders
18 benefit from every investment dollar that is spent by a utility, the proposed Capital Tracker
19 will increase overall return to shareholders and accelerate recovery of that return.

20
21 **Q. Is there any indication that Empire has had difficulty attracting investment capital?**

1 A. No, there is not. Moreover, instead of viewing infrastructure replacement as an investment
2 burden, investors are likely to view incremental investment by the utility as an opportunity to
3 increase their returns. Regulators should not lose sight of the fact that there are two
4 primary ways that shareholders can increase their returns – by increasing the rate base on
5 which a return is earned or by increasing the rate of return that is applied to that rate base.
6 Since the Company is not able to increase its authorized return outside of a base rate case,
7 then it must increase its earnings by increasing the amount of investment on which it can earn
8 a return. Every dollar of investment made by Empire results in greater earnings for
9 shareholders.

10
11 **Q. What is the impact of the Company’s proposal on its customers?**

12 A. Pursuant to traditional ratemaking practice, plant additions are only included in rate base, and
13 therefore in utility rates, once the plant is completed and placed into service and the
14 Company files a subsequent base rate case. Between general base rate cases, plant that is
15 booked to utility plant-in-service is not reflected in utility rates until the Company’s next
16 base rate case. However, under the Company’s proposal, ratepayers will bear higher costs
17 sooner as a result of the Capital Tracker.

18 In addition to a return on investment and depreciation expense, ratepayers would also
19 pay for incremental operating expenses under the Company’s proposal. However, it is often
20 difficult to quantify the incremental operating costs associated with an individual investment

1 project. Therefore, the inclusion of operating expenses would not only further increase costs
2 to ratepayers, but would also add a degree of complexity to the process.

3
4 **Q. Would the Company’s proposal to implement the Capital Tracker shift additional risk**
5 **onto ratepayers?**

6 A. Yes, it would. The Company’s proposed mechanism would shift risk from shareholders,
7 where it properly belongs, to ratepayers without any commensurate reduction in the
8 Company’s return on equity. In addition, the Company’s proposal would require the KCC to
9 increase rates even if the Company was earning its authorized rate of return.

10 If the Capital Tracker is approved, shareholders will no longer have to wait for a
11 general base rate case to receive a return on this investment. Nor will shareholders have to
12 wait for a general base rate case in order to begin recovery of depreciation or operating
13 expenses associated with the investment. Nevertheless, ratepayers will experience annual
14 rate increases even if the Company does not have annual rate cases, so other components of
15 its revenue requirement such as revenues, expenses, investment, and cost of capital will not
16 be reviewed.

17
18 **Q. Does the Company’s proposal result in single-issue ratemaking?**

19 A. Absolutely. The Company’s proposal clearly constitutes single-issue ratemaking since it
20 proposes to increase rates for one component of the ratemaking equation without
21 consideration of the overall revenue requirement or revenue levels being earned by Empire.

1 Single-issue ratemaking violates the regulatory principle that all components of a utility's
2 ratemaking equation be considered when new rates are established.

3
4 **Q. What do you recommend?**

5 A. I recommend that the KCC reject the Company's proposed Capital Tracker. The Company
6 has not shown that the Capital Tracker is necessary in order to provide safe and reliable
7 service, or to acquire the funding necessary to make needed investments. The Capital
8 Tracker will result in higher returns to Empire shareholders at the expense of Kansas
9 ratepayers. Finally, contrary to the Company's arguments, the Capital Tracker will not
10 stabilize rates or lessen the frequency of base rate case filings. For all these reasons, I
11 recommend that the KCC reject the Company's proposed Capital Tracker.

12
13 **C. LED Tariff**

14 **Q. Please describe the LED tariff proposed by Empire.**

15 A. The Company plans to convert all Company-owned, pole mounted Mercury Vapor Municipal
16 Street Lights to LED lights over a period of 6-18 months. As stated on page 7 of Mr.
17 Westfall's testimony, "The Company is aware of the reduced maintenance cost, life of
18 fixture, energy efficiency, and improved visibility LED lights offer compared to other
19 lighting alternatives." Empire is proposing to establish an LED tariff for its municipal street
20 lighting customers, and to establish a regulatory asset or liability account to track the actual
21 cost and revenue impacts of the conversion.

1 **Q. What are you recommending regarding the Company's proposed LED tariff and**
2 **related regulatory account?**

3 A. I am not specifically making any recommendation regarding whether the Company should
4 introduce an LED tariff, or whether the KCC should approve a related regulatory
5 asset/liability account. However, if the KCC does authorize Empire to defer certain revenues
6 and costs associated with the conversion to LED street lights, then I recommend that it also
7 defer a decision on ratemaking treatment for the regulatory asset or liability until the
8 Company's next base rate case. At that time, the KCC and other parties will have the
9 opportunity to review the program, the associated costs, and the impact on street lighting
10 revenues, and determine whether ratemaking treatment is appropriate. Therefore, if the KCC
11 approves the LED tariff and regulatory deferral in this case, such approval should be limited
12 to the establishment of the regulatory account and should not address the ultimate disposition
13 of the regulatory asset or liability.

14
15 **Q. Does this conclude your testimony?**

16 A. Yes, it does.

VERIFICATION

STATE OF FLORIDA

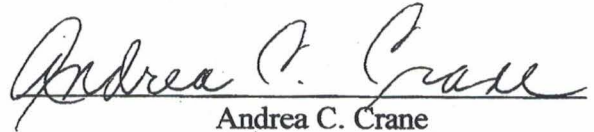
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COUNTY OF BROWARD

)

ss:

Andrea C. Crane, being duly sworn upon her oath, deposes and states that she is a consultant for the Citizens' Utility Ratepayer Board, that she has read and is familiar with the foregoing Direct Testimony, and that the statements made therein are true to the best of her knowledge, information and belief


Andrea C. Crane

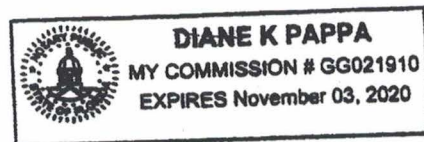
Subscribed and sworn before me this 9th day of May, 2019.

Notary Public



My Commission Expires:

NOVEMBER 3, 2020



<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Empire District Electric Company	E	Kansas	19-EPDE-223-RTS	5/19	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Co.	E/G	New Jersey	EO18060629/ G018060630	3/19	Energy Strong II Program	Division of Rate Counsel
Southwestern Public Service Company	E	New Mexico	18-00308-UT	2/19	Voluntary Renewable Energy Program	Office of Attorney General
Zero Emission Certificate Program (Various Applicants)	E	New Jersey	EO18080899	1/19	Zero Emission Certificates Subsidy	Division of Rate Counsel
Public Service Company of New Mexico	E	New Mexico	18-00043-UT	12/18	Removal of Energy Efficiency Disincentives	Office of Attorney General
Kansas Gas Service	G	Kansas	18-KGSG-560-RTS	10/18	Revenue Requirements	Citizens' Utility Ratepayer Board
New Mexico Gas Company	G	New Mexico	18-00038-UT	9/18	Testimony in Support of Stipulation	Office of Attorney General
Kansas City Power and Light Company	E	Kansas	18-KCPE-480-RTS	9/18	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Co.	E/G	New Jersey	ER18010029/ GR18010030	8/18	Revenue Requirements	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	18-WSEE-328-RTS	6/18	Revenue Requirements	Citizens' Utility Ratepayer Board
Southwestern Public Service Company	E	New Mexico	17-00255-UT	4/18	Revenue Requirements	Office of Attorney General
Empire District Electric Company	E	Kansas	18-EPDE-184-PRE	3/18	Approval of Wind Generation Facilities	Citizens' Utility Ratepayer Board
GPE/ Kansas City Power & Light Co., Westar Energy, Inc.	E	Kansas	18-KCPE-095-MER	1/18	Proposed Merger	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Co.	E	New Jersey	GR17070776	1/18	Gas System Modernization Program	Division of Rate Counsel
Southwestern Public Service Company	E	New Mexico	17-00044-UT	10/17	Approval of Wind Generation Facilities	Office of Attorney General
Kansas Gas Service	G	Kansas	17-KGSG-455-ACT	9/17	MGP Remediation Costs	Citizens' Utility Ratepayer Board
Atlantic City Electric Company	E	New Jersey	ER17030308	8/17	Base Rate Case	Division of Rate Counsel
Public Service Company of New Mexico	E	New Mexico	16-00276-UT	6/17	Testimony in Support of Stipulation	Office of Attorney General
Westar Energy, Inc.	E	Kansas	17-WSEE-147-RTS	5/17	Abbreviated Rate Case	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	17-KCPE-201-RTS	4/17	Abbreviated Rate Case	Citizens' Utility Ratepayer Board
GPE/ Kansas City Power & Light Co., Westar Energy, Inc.	E	Kansas	16-KCPE-593-ACQ	12/16	Proposed Merger	Citizens' Utility Ratepayer Board
Kansas Gas Service	G	Kansas	16-KGSG-491-RTS	9/16	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	15-00312-UT	7/16	Automated Metering Infrastructure	Office of Attorney General
Kansas City Power and Light Company	E	Kansas	16-KCPE-160-MIS	6/16	Clean Charge Network	Citizens' Utility Ratepayer Board
Kentucky American Water Company	W	Kentucky	2016-00418	5/16	Revenue Requirements	Attorney General/LFUCG
Black Hills/Kansas Gas Utility Company	G	Kansas	16-BHCG-171-TAR	3/16	Long-Term Hedge Contract	Citizens' Utility Ratepayer Board
General Investigation Regarding Accelerated Pipeline Replacement	G	Kansas	15-GIMG-343-GIG	1/16	Cost Recovery Issues	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	15-00261-UT	1/16	Revenue Requirements	Office of Attorney General
Atmos Energy Company	G	Kansas	16-ATMG-079-RTS	12/15	Revenue Requirements	Citizens' Utility

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
						Ratepayer Board
El Paso Electric Company	E	New Mexico	15-00109-UT	12/15	Sale of Generating Facility	Office of Attorney General
El Paso Electric Company	E	New Mexico	15-00127-UT	9/15	Revenue Requirements	Office of Attorney General
Rockland Electric Company	E	New Jersey	ER14030250	9/15	Storm Hardening Surcharge	Division of Rate Counsel
El Paso Electric Company	E	New Mexico	15-00099-UT	8/15	Certificate of Public Convenience - Ft. Bliss	Office of Attorney General
Southwestern Public Service Company	E	New Mexico	15-00083-UT	7/15	Approval of Purchased Power Agreements	Office of Attorney General
Westar Energy, Inc.	E	Kansas	15-WSEE-115-RTS	7/15	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	15-KCPE-116-RTS	5/15	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast Cable Communications	C	New Jersey	CR14101099-1120	4/15	Cable Rates (Form 1240)	Division of Rate Counsel
Liberty Utilities (Pine Buff Water)	W	Arkansas	14-020-U	1/15	Revenue Requirements	Office of Attorney General
Public Service Electric and Gas Co.	E/G	New Jersey	EO14080897	11/14	Energy Efficiency Program Extension II	Division of Rate Counsel
Exelon and Pepco Holdings, Inc.	E	New Jersey	EM14060581	11/14	Synergy Savings, Customer Investment Fund, CTA	Division of Rate Counsel
Black Hills/Kansas Gas Utility Company	G	Kansas	14-BHCG-502-RTS	9/14	Revenue Requirements	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	14-00158-UT	9/14	Renewable Energy Rider	Office of Attorney General
Public Service Company of New Mexico	E	New Mexico	13-00390-UT	8/14	Abandonment of San Juan Units 2 and 3	Office of Attorney General
Atmos Energy Company	G	Kansas	14-ATMG-320-RTS	5/14	Revenue Requirements	Citizens' Utility Ratepayer Board
Rockland Electric Company	E	New Jersey	ER13111135	5/14	Revenue Requirements	Division of Rate Counsel
Kansas City Power and Light Company	E	Kansas	14-KCPE-272-RTS	4/14	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Comcast Cable Communications	C	New Jersey	CR13100885-906	3/14	Cable Rates	Division of Rate Counsel
New Mexico Gas Company	G	New Mexico	13-00231-UT	2/14	Merger Policy	Office of Attorney General
Water Service Corporation (Kentucky)	W	Kentucky	2013-00237	2/14	Revenue Requirements	Office of Attorney General
Oneok, Inc. and Kansas Gas Service	G	Kansas	14-KGSG-100-MIS	12/13	Plan of Reorganization	Citizens' Utility Ratepayer Board
Public Service Electric & Gas Company	E/G	New Jersey	EO13020155 GO13020156	10/13	Energy Strong Program	Division of Rate Counsel
Southwestern Public Service Company	E	New Mexico	12-00350-UT	8/13	Cost of Capital, RPS Rider, Gain on Sale, Allocations	New Mexico Office of Attorney General
Westar Energy, Inc.	E	Kansas	13-WSEE-629-RTS	8/13	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	13-115	8/13	Revenue Requirements	Division of the Public Advocate
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-447-MIS	8/13	Abbreviated Rate Filing	Citizens' Utility Ratepayer Board
Jersey Central Power & Light Company	E	New Jersey	ER12111052	6/13	Reliability Cost Recovery Consolidated Income Taxes	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	13-MKEE-447-MIS	5/13	Transfer of Certificate Regulatory Policy	Citizens' Utility Ratepayer Board
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	13-MKEE-452-MIS	5/13	Formula Rates	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	12-450F	3/13	Gas Sales Rates	Attorney General
Public Service Electric and Gas Co.	E	New Jersey	EO12080721	1/13	Solar 4 All -	Division of Rate Counsel

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
					Extension Program	
Public Service Electric and Gas Co.	E	New Jersey	EO12080726	1/13	Solar Loan III Program	Division of Rate Counsel
Lane Scott Electric Cooperative	E	Kansas	12-MKEE-410-RTS	11/12	Acquisition Premium, Policy Issues	Citizens' Utility Ratepayer Board
Kansas Gas Service	G	Kansas	12-KGSG-835-RTS	9/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power and Light Company	E	Kansas	12-KCPE-764-RTS	8/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Woonsocket Water Division	W	Rhode Island	4320	7/12	Revenue Requirements	Division of Public Utilities and Carriers
Atmos Energy Company	G	Kansas	12-ATMG-564-RTS	6/12	Revenue Requirements	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	110258	5/12	Cost of Capital	Division of the Public Advocate
Mid-Kansas Electric Company (Western)	E	Kansas	12-MKEE-491-RTS	5/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atlantic City Electric Company	E	New Jersey	ER11080469	4/12	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company (Southern Pioneer)	E	Kansas	12-MKEE-380-RTS	4/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	11-381F	2/12	Gas Cost Rates	Division of the Public Advocate
Atlantic City Electric Company	E	New Jersey	EO11110650	2/12	Infrastructure Investment Program (IIP-2)	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	11-384F	2/12	Gas Service Rates	Division of the Public Advocate
New Jersey American Water Co.	W/WW	New Jersey	WR11070460	1/12	Consolidated Income Taxes Cash Working Capital	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	12-WSEE-112-RTS	1/12	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Puget Sound Energy, Inc.	E/G	Washington	UE-111048 UG-111049	12/11	Conservation Incentive Program and Others	Public Counsel
Puget Sound Energy, Inc.	G	Washington	UG-110723	10/11	Pipeline Replacement Tracker	Public Counsel
Empire District Electric Company	E	Kansas	11-EPDE-856-RTS	10/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR11030116-117	9/11	Forms 1240 and 1205	Division of Rate Counsel
Artesian Water Company	W	Delaware	11-207	9/11	Revenue Requirements Cost of Capital	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS (Remand)	7/11	Rate Case Costs	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	11-MDWE-609-RTS	7/11	Revenue Requirements	Citizens' Utility Ratepayer Board
Kansas City Power & Light Company	E	Kansas	11-KCPE-581-PRE	6/11	Pre-Determination of Ratemaking Principles	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	10-421	5/11	Revenue Requirements Cost of Capital	Division of the Public Advocate
Mid-Kansas Electric Company	E	Kansas	11-MKEE-439-RTS	4/11	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
South Jersey Gas Company	G	New Jersey	GR10060378-79	3/11	BGSS / CIP	Division of Rate Counsel
Chesapeake Utilities Corporation	G	Delaware	10-296F	3/11	Gas Service Rates	Division of the Public Advocate
Westar Energy, Inc.	E	Kansas	11-WSEE-377-PRE	2/11	Pre-Determination of Wind Investment	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	10-295F	2/11	Gas Cost Rates	Attorney General

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Delmarva Power and Light Company	G	Delaware	10-237	10/10	Revenue Requirements Cost of Capital	Division of the Public Advocate
Pawtucket Water Supply Board	W	Rhode Island	4171	7/10	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey Natural Gas Company	G	New Jersey	GR10030225	7/10	RGGI Programs and Cost Recovery	Division of Rate Counsel
Kansas City Power & Light Company	E	Kansas	10-KCPE-415-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Atmos Energy Corp.	G	Kansas	10-ATMG-495-RTS	6/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	10-EPDE-314-RTS	3/10	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	09-414 and 09-276T	2/10	Cost of Capital Rate Design Policy Issues	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	09-385F	2/10	Gas Cost Rates	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	09-398F	1/10	Gas Service Rates	Division of the Public Advocate
Public Service Electric and Gas Company	E	New Jersey	ER09020113	11/09	Societal Benefit Charge Non-Utility Generation Charge	Division of Rate Counsel
Delmarva Power and Light Company	G	Delaware	09-277T	11/09	Rate Design	Division of the Public Advocate
Public Service Electric and Gas Company	E/G	New Jersey	GR09050422	11/09	Revenue Requirements	Division of Rate Counsel
Mid-Kansas Electric Company	E	Kansas	09-MKEE-969-RTS	10/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Westar Energy, Inc.	E	Kansas	09-WSEE-925-RTS	9/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08050326 EO08080542	8/09	Demand Response Programs	Division of Rate Counsel
Public Service Electric and Gas Company	E	New Jersey	EO09030249	7/09	Solar Loan II Program	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	09-MDWE-792-RTS	7/09	Revenue Requirements	Citizens' Utility Ratepayer Board
Westar Energy and KG&E	E	Kansas	09-WSEE-641-GIE	6/09	Rate Consolidation	Citizens' Utility Ratepayer Board
United Water Delaware, Inc.	W	Delaware	09-60	6/09	Cost of Capital	Division of the Public Advocate
Rockland Electric Company	E	New Jersey	GO09020097	6/09	SREC-Based Financing Program	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	09-29	6/09	Revenue Requirements Cost of Capital	Division of the Public Advocate
Chesapeake Utilities Corporation	G	Delaware	08-269F	3/09	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	08-266F	2/09	Gas Cost Rates	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	09-KCPE-246-RTS	2/09	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Jersey Central Power and Light Co.	E	New Jersey	EO08090840	1/09	Solar Financing Program	Division of Rate Counsel
Atlantic City Electric Company	E	New Jersey	EO06100744 EO08100875	1/09	Solar Financing Program	Division of Rate Counsel
West Virginia-American Water Company	W	West Virginia	08-0900-W-42T	11/08	Revenue Requirements	The Consumer Advocate Division of the PSC

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Westar Energy, Inc.	E	Kansas	08-WSEE-1041-RTS	9/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Artesian Water Company	W	Delaware	08-96	9/08	Cost of Capital, Revenue, New Headquarters	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR08020113	9/08	Form 1205 Equipment & Installation Rates	Division of Rate Counsel
Pawtucket Water Supply Board	W	Rhode Island	3945	7/08	Revenue Requirements	Division of Public Utilities and Carriers
New Jersey American Water Co.	W/WW	New Jersey	WR08010020	7/08	Consolidated Income Taxes	Division of Rate Counsel
New Jersey Natural Gas Company	G	New Jersey	GR07110889	5/08	Revenue Requirements	Division of Rate Counsel
Kansas Electric Power Cooperative, Inc.	E	Kansas	08-KEPE-597-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	EX02060363 EA02060366	5/08	Deferred Balances Audit	Division of Rate Counsel
Cablevision Systems Corporation	C	New Jersey	CR07110894, et al..	5/08	Forms 1240 and 1205	Division of Rate Counsel
Midwest Energy, Inc.	E	Kansas	08-MDWE-594-RTS	5/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	07-246F	4/08	Gas Service Rates	Division of the Public Advocate
Comcast Cable	C	New Jersey	CR07100717-946	3/08	Form 1240	Division of Rate Counsel
Generic Commission Investigation	G	New Mexico	07-00340-UT	3/08	Weather Normalization	New Mexico Office of Attorney General
Southwestern Public Service Company	E	New Mexico	07-00319-UT	3/08	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Delmarva Power and Light Company	G	Delaware	07-239F	2/08	Gas Cost Rates	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	08-ATMG-280-RTS	1/08	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Aquila /Black Hills / Kansas City Power & Light	G	Kansas	07-BHCG-1063-ACQ 07-KCPE-1064-ACQ	12/07	Utility Acquisitions	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	07-186	12/07	Cost of Capital Regulatory Policy	Division of the Public Advocate
Westar Energy, Inc.	E	Kansas	08-WSEE-309-PRE	11/07	Predetermination of Wind Generation	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E/G	New Jersey	ER07050303 GR07050304	11/07	Societal Benefits Charge	Division of Rate Counsel
Public Service Company of New Mexico	E	New Mexico	07-00077-UT	10/07	Revenue Requirements Cost of Capital	New Mexico Office of Attorney General
Public Service Electric and Gas Company	E	New Jersey	EO07040278	9/07	Solar Cost Recovery	Division of Rate Counsel
Comcast Cable	C	New Jersey	CR07030147	8/07	Form 1205	Division of Rate Counsel
Kansas City Power & Light Company	E	Kansas	07-KCPE-905-RTS	8/07	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Cablevision Systems Corporation	C	New Jersey	CR06110781, et al..	5/07	Cable Rates - Forms 1205 and 1240	Division of Rate Counsel
Westar Energy, Inc.	E	Kansas	05-WSEE-981-RTS	4/07	Revenue Requirements Issues on Remand	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	06-285F	4/07	Gas Cost Rates	Division of the Public Advocate
Comcast of Jersey City, et al..	C	New Jersey	CR06070558	4/07	Cable Rates	Division of Rate Counsel
Westar Energy	E	Kansas	07-WSEE-616-PRE	3/07	Pre-Approval of Generation Facilities	Citizens' Utility Ratepayer Board
Woonsocket Water Division	W	Rhode Island	3800	3/07	Revenue Requirements	Division of Public Utilities and Carriers

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Aquila - KGO	G	Kansas	07-AQLG-431-RTS	3/07	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	06-287F	3/07	Gas Service Rates	Division of the Public Advocate
Delmarva Power and Light Company	G	Delaware	06-284	1/07	Revenue Requirements Cost of Capital	Division of the Public Advocate
El Paso Electric Company	E	New Mexico	06-00258 UT	11/06	Revenue Requirements	New Mexico Office of Attorney General
Aquila, Inc. / Mid-Kansas Electric Co.	E	Kansas	06-MKEE-524-ACQ	11/06	Proposed Acquisition	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	G	New Mexico	06-00210-UT	11/06	Revenue Requirements	New Mexico Office of Attorney General
Atlantic City Electric Company	E	New Jersey	EM06090638	11/06	Sale of B.L. England	Division of Rate Counsel
United Water Delaware, Inc.	W	Delaware	06-174	10/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Public Service Electric and Gas Company	G	New Jersey	GR05080686	10/06	Societal Benefits Charge	Division of Rate Counsel
Comcast (Avalon, Maple Shade, Gloucester)	C	New Jersey	CR06030136-139	10/06	Form 1205 and 1240 Cable Rates	Division of Rate Counsel
Kansas Gas Service	G	Kansas	06-KGSG-1209-RTS	9/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
New Jersey American Water Co. Elizabethtown Water Company Mount Holly Water Company	W	New Jersey	WR06030257	9/06	Regulatory Policy Taxes Cash Working Capital	Division of Rate Counsel
Tidewater Utilities, Inc.	W	Delaware	06-145	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Artesian Water Company	W	Delaware	06-158	9/06	Revenue Requirements Cost of Capital	Division of the Public Advocate
Kansas City Power & Light Company	E	Kansas	06-KCPE-828-RTS	8/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Midwest Energy, Inc.	G	Kansas	06-MDWG-1027-RTS	7/06	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Chesapeake Utilities Corporation	G	Delaware	05-315F	6/06	Gas Service Rates	Division of the Public Advocate
Cablevision Systems Corporation	C	New Jersey	CR05110924, et al.	5/06	Cable Rates - Forms 1205 and 1240	Division of the Ratepayer Advocate
Montague Sewer Company	WW	New Jersey	WR05121056	5/06	Revenue Requirements	Division of the Ratepayer Advocate
Comcast of South Jersey	C	New Jersey	CR05119035, et al.	5/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Comcast of New Jersey	C	New Jersey	CR05090826-827	4/06	Cable Rates - Form 1240	Division of the Ratepayer Advocate
Parkway Water Company	W	New Jersey	WR05070634	3/06	Revenue Requirements Cost of Capital	Division of the Ratepayer Advocate
Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00051030	2/06	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	G	Delaware	05-312F	2/06	Gas Cost Rates	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	05-304	12/05	Revenue Requirements Cost of Capital	Division of the Public Advocate
Artesian Water Company	W	Delaware	04-42	10/05	Revenue Requirements Cost of Capital (Remand)	Division of the Public Advocate
Utility Systems, Inc.	WW	Delaware	335-05	9/05	Regulatory Policy	Division of the Ratepayer Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Westar Energy, Inc.	E	Kansas	05-WSEE-981-RTS	9/05	Revenue Requirements	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	05-EPDE-980-RTS	8/05	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Comcast Cable	C	New Jersey	CR05030186	8/05	Form 1205	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	3674	7/05	Revenue Requirements	Division of Public Utilities and Carriers
Delmarva Power and Light Company	E	Delaware	04-391	7/05	Standard Offer Service	Division of the Public Advocate
Patriot Media & Communications CNJ, LLC	C	New Jersey	CR04111453-455	6/05	Cable Rates	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR04111379, et al...	6/05	Cable Rates	Division of the Ratepayer Advocate
Time Warner	C	New Jersey	CR03100763-764	4/04	Cable Rates	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	3573	3/04	Revenue Requirements	Division of Public Utilities and Carriers
Aqua Pennsylvania, Inc.	W	Pennsylvania	R-00038805	2/04	Revenue Requirements	Pennsylvania Office of Consumer Advocate
Comcast of Jersey City, et al...	C	New Jersey	CR03080598-601	2/04	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company	G	Delaware	03-378F	2/04	Fuel Clause	Division of the Public Advocate
Atmos Energy Corp.	G	Kansas	03-ATMG-1036-RTS	11/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Aquila, Inc. (UCU)	G	Kansas	02-UTCG-701-GIG	10/03	Using utility assets as collateral	Citizens' Utility Ratepayer Board
CenturyTel of Northwest Arkansas, LLC	T	Arkansas	03-041-U	10/03	Affiliated Interests	The Arkansas Public Service Commission General Staff
Borough of Butler Electric Utility	E	New Jersey	CR03010049/63	9/03	Revenue Requirements	Division of the Ratepayer Advocate
Comcast Cablevision of Avalon Comcast Cable Communications	C	New Jersey	CR03020131-132	9/03	Cable Rates	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	E	Delaware	03-127	8/03	Revenue Requirements	Division of the Public Advocate
Kansas Gas Service	G	Kansas	03-KGSG-602-RTS	7/03	Revenue Requirements	Citizens' Utility Ratepayer Board
Washington Gas Light Company	G	Maryland	8959	6/03	Cost of Capital Incentive Rate Plan	U.S. DOD/FEA
Pawtucket Water Supply Board	W	Rhode Island	3497	6/03	Revenue Requirements	Division of Public Utilities and Carriers
Atlantic City Electric Company	E	New Jersey	EO03020091	5/03	Stranded Costs	Division of the Ratepayer Advocate
Public Service Company of New Mexico	G	New Mexico	03-000-17 UT	5/03	Cost of Capital Cost Allocations	Office of the New Mexico Attorney General
Comcast - Hopewell, et al...	C	New Jersey	CR02110818 CR02110823-825	5/03	Cable Rates	Division of the Ratepayer Advocate
Cablevision Systems Corporation	C	New Jersey	CR02110838, 43-50	4/03	Cable Rates	Division of the Ratepayer Advocate
Comcast-Garden State / Northwest	C	New Jersey	CR02100715 CR02100719	4/03	Cable Rates	Division of the Ratepayer Advocate
Midwest Energy, Inc. and Westar Energy, Inc.	E	Kansas	03-MDWE-421-ACQ	4/03	Acquisition	Citizens' Utility Ratepayer Board
Time Warner Cable	C	New Jersey	CR02100722 CR02100723	4/03	Cable Rates	Division of the Ratepayer Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Westar Energy, Inc.	E	Kansas	01-WSRE-949-GIE	3/03	Restructuring Plan	Citizens' Utility Ratepayer Board
Public Service Electric and Gas Company	E	New Jersey	ER02080604 PUC 7983-02	1/03	Deferred Balance	Division of the Ratepayer Advocate
Atlantic City Electric Company d/b/a Conectiv Power Delivery	E	New Jersey	ER02080510 PUC 6917-02S	1/03	Deferred Balance	Division of the Ratepayer Advocate
Wallkill Sewer Company	WW	New Jersey	WR02030193 WR02030194	12/02	Revenue Requirements Purchased Sewage Treatment Adj. (PSTAC)	Division of the Ratepayer Advocate
Midwest Energy, Inc.	E	Kansas	03-MDWE-001-RTS	12/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Comcast-LBI Crestwood	C	New Jersey	CR02050272 CR02050270	11/02	Cable Rates	Division of the Ratepayer Advocate
Reliant Energy Arkla	G	Oklahoma	PUD200200166	10/02	Affiliated Interest Transactions	Oklahoma Corporation Commission, Public Utility Division Staff
Midwest Energy, Inc.	G	Kansas	02-MDWG-922-RTS	10/02	Gas Rates	Citizens' Utility Ratepayer Board
Comcast Cablevision of Avalon	C	New Jersey	CR02030134 CR02030137	7/02	Cable Rates	Division of the Ratepayer Advocate
RCN Telecom Services, Inc., and Home Link Communications	C	New Jersey	CR02010044 CR02010047	7/02	Cable Rates	Division of the Ratepayer Advocate
Washington Gas Light Company	G	Maryland	8920	7/02	Rate of Return Rate Design (Rebuttal)	General Services Administration (GSA)
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase II	7/02	Rate Design Tariff Issues	Division of the Public Advocate
Washington Gas Light Company	G	Maryland	8920	6/02	Rate of Return Rate Design	General Services Administration (GSA)
Tidewater Utilities, Inc.	W	Delaware	02-28	6/02	Revenue Requirements	Division of the Public Advocate
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	5/02	Financial Plan	Citizens' Utility Ratepayer Board
Empire District Electric Company	E	Kansas	02-EPDE-488-RTS	5/02	Revenue Requirements	Citizens' Utility Ratepayer Board
Southwestern Public Service Company	E	New Mexico	3709	4/02	Fuel Costs	Office of the New Mexico Attorney General
Cablevision Systems	C	New Jersey	CR01110706, et al..	4/02	Cable Rates	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	District of Columbia	945, Phase II	4/02	Divestiture Procedures	General Services Administration (GSA)
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	3/02	Sale of VY to Entergy Corp. (Supplemental)	Department of Public Service
Delmarva Power and Light Company	G	Delaware	01-348F	1/02	Gas Cost Adjustment	Division of the Public Advocate
Vermont Yankee Nuclear Power Corp.	E	Vermont	6545	1/02	Sale of VY to Entergy Corp.	Department of Public Service
Pawtucket Water Supply Company	W	Rhode Island	3378	12/01	Revenue Requirements	Division of Public Utilities and Carriers
Chesapeake Utilities Corporation	G	Delaware	01-307, Phase I	12/01	Revenue Requirements	Division of the Public Advocate
Potomac Electric Power Company	E	Maryland	8796	12/01	Divestiture Procedures	General Services Administration (GSA)
Kansas Electric Power Cooperative	E	Kansas	01-KEPE-1106-RTS	11/01	Depreciation Methodology (Cross Answering)	Citizens' Utility Ratepayer Board

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Wellsboro Electric Company	E	Pennsylvania	R-00016356	11/01	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	3311	10/01	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Pepco and New RC, Inc.	E	District of Columbia	1002	10/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Potomac Electric Power Co. & Delmarva Power	E	Delaware	01-194	10/01	Merger Issues and Performance Standards	Division of the Public Advocate
Yankee Gas Company	G	Connecticut	01-05-19PH01	9/01	Affiliated Transactions	Office of Consumer Counsel
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	9/01	Revenue Requirements (Rebuttal)	The Consumer Advocate Division of the PSC
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	9/01	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Potomac Electric Power Co. & Delmarva Power	E	Maryland	8890	9/01	Merger Issues and Performance Standards	General Services Administration (GSA)
Comcast Cablevision of Long Beach Island, et al..	C	New Jersey	CR01030149-50 CR01050285	9/01	Cable Rates	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	3311	8/01	Revenue Requirements	Division of Public Utilities and Carriers
Pennsylvania-American Water Company	W	Pennsylvania	R-00016339	8/01	Revenue Requirements	Office of Consumer Advocate
Roxiticus Water Company	W	New Jersey	WR01030194	8/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Hope Gas, Inc., d/b/a Dominion Hope	G	West Virginia	01-0330-G-42T 01-0331-G-30C 01-1842-GT-T 01-0685-G-PC	8/01	Revenue Requirements	The Consumer Advocate Division of the PSC
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity (Rebuttal)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-949-GIE	6/01	Restructuring Financial Integrity	Citizens' Utility Ratepayer Board
Cablevision of Allamuchy, et al..	C	New Jersey	CR00100824, et al..	4/01	Cable Rates	Division of the Ratepayer Advocate
Public Service Company of New Mexico	E	New Mexico	3137, Holding Co.	4/01	Holding Company	Office of the Attorney General
Keauhou Community Services, Inc.	W	Hawaii	00-0094	4/01	Rate Design	Division of Consumer Advocacy
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests (Motion for Suppl. Changes)	Citizens' Utility Ratepayer Board
Western Resources, Inc.	E	Kansas	01-WSRE-436-RTS	4/01	Revenue Requirements Affiliated Interests	Citizens' Utility Ratepayer Board
Public Service Company of New Mexico	E	New Mexico	3137, Part III	4/01	Standard Offer Service (Additional Direct)	Office of the Attorney General
Chem-Nuclear Systems, LLC	SW	South Carolina	2000-366-A	3/01	Allowable Costs	Department of Consumer Affairs
Southern Connecticut Gas Company	G	Connecticut	00-12-08	3/01	Affiliated Interest Transactions	Office of Consumer Counsel
Atlantic City Sewerage Corporation	WW	New Jersey	WR00080575	3/01	Revenue Requirements Cost of Capital Rate Design	Division of the Ratepayer Advocate
Delmarva Power and Light Company d/b/a Conectiv Power Delivery	G	Delaware	00-314	3/01	Margin Sharing	Division of the Public Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Senate Bill 190 Re: Performance Based Ratemaking	G	Kansas	Senate Bill 190	2/01	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	G	Delaware	00-463-F	2/01	Gas Cost Rates	Division of the Public Advocate
Waitsfield Fayston Telephone Company	T	Vermont	6417	12/00	Revenue Requirements	Department of Public Service
Delaware Electric Cooperative	E	Delaware	00-365	11/00	Code of Conduct Cost Allocation Manual	Division of the Public Advocate
Commission Inquiry into Performance-Based Ratemaking	G	Kansas	00-GIMG-425-GIG	10/00	Performance-Based Ratemaking Mechanisms	Citizens' Utility Ratepayer Board
Pawtucket Water Supply Board	W	Rhode Island	3164 Separation Plan	10/00	Revenue Requirements	Division of Public Utilities and Carriers
Comcast Cablevision of Philadelphia, L.P.	C	Pennsylvania	3756	10/00	Late Payment Fees (Affidavit)	Kaufman, Lankelis, et al...
Public Service Company of New Mexico	E	New Mexico	3137, Part III	9/00	Standard Offer Service	Office of the Attorney General
Lae Water Company	W	Hawaii	00-0017 Separation Plan	8/00	Rate Design	Division of Consumer Advocacy
El Paso Electric Company	E	New Mexico	3170, Part II, Ph. 1	7/00	Electric Restructuring	Office of the Attorney General
Public Service Company of New Mexico	E	New Mexico	3137 - Part II Separation Plan	7/00	Electric Restructuring	Office of the Attorney General
PG Energy	G	Pennsylvania	R-00005119	6/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	4/00	Merger Issues (Add'l Supplemental)	Office of Consumer Counsel
Sussex Shores Water Company	W	Delaware	99-576	4/00	Revenue Requirements	Division of the Public Advocate
Utilicorp United, Inc.	G	Kansas	00-UTCG-336-RTS	4/00	Revenue Requirements	Citizens' Utility Ratepayer Board
TCI Cablevision	C	Missouri	9972-9146	4/00	Late Fees (Affidavit)	Honora Eppert, et al..
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	3/00	Pro Forma Revenue Affiliated Transactions (Rebuttal)	Oklahoma Corporation Commission, Public Utility Division Staff
Tidewater Utilities, Inc. Public Water Supply Co.	W	Delaware	99-466	3/00	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	G/E	Delaware	99-582	3/00	Cost Accounting Manual Code of Conduct	Division of the Public Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	3/00	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Philadelphia Suburban Water Company	W	Pennsylvania	R-00994868 R-00994877 R-00994878 R-00994879	2/00	Revenue Requirements	Office of Consumer Advocate
Consolidated Edison, Inc. and Northeast Utilities	E/G	Connecticut	00-01-11	2/00	Merger Issues	Office of Consumer Counsel
Oklahoma Natural Gas Company	G	Oklahoma	PUD 990000166 PUD 980000683 PUD 990000570	1/00	Pro Forma Revenue Affiliated Transactions (Rebuttal)	Oklahoma Corporation Commission, Public Utility Division Staff
Connecticut Natural Gas Company	G	Connecticut	99-09-03	1/00	Affiliated Transactions	Office of Consumer Counsel
Time Warner Entertainment Company, L.P.	C	Indiana	48D06-9803-CP-423	1999	Late Fees (Affidavit)	Kelly J. Whiteman, et al..

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
TCI Communications, Inc., et al..	C	Indiana	55D01-9709-CP-00415	1999	Late Fees (Affidavit)	Franklin E. Littell, et al..
Southwestern Public Service Company	E	New Mexico	3116	12/99	Merger Approval	Office of the Attorney General
New England Electric System Eastern Utility Associates	E	Rhode Island	2930	11/99	Merger Policy	Department of Attorney General
Delaware Electric Cooperative	E	Delaware	99-457	11/99	Electric Restructuring	Division of the Public Advocate
Jones Intercable, Inc.	C	Maryland	CAL98-00283	10/99	Cable Rates (Affidavit)	Cynthia Maisonette and Ola Renee Chatman, et al..
Texas-New Mexico Power Company	E	New Mexico	3103	10/99	Acquisition Issues	Office of Attorney General
Southern Connecticut Gas Company	G	Connecticut	99-04-18	9/99	Affiliated Interest	Office of Consumer Counsel
TCI Cable Company	C	New Jersey	CR99020079, et al..	9/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
All Regulated Companies	E/G/W	Delaware	Reg. No. 4	8/99	Filing Requirements (Position Statement)	Division of the Public Advocate
Mile High Cable Partners	C	Colorado	95-CV-5195	7/99	Cable Rates (Affidavit)	Brett Marshall, an individual, et al..
Electric Restructuring Comments	E	Delaware	Reg. 49	7/99	Regulatory Policy (Supplemental)	Division of the Public Advocate
Long Neck Water Company	W	Delaware	99-31	6/99	Revenue Requirements	Division of the Public Advocate
Delmarva Power and Light Company	E	Delaware	99-163	6/99	Electric Restructuring	Division of the Public Advocate
Potomac Electric Power Company	E	District of Columbia	945	6/99	Divestiture of Generation Assets	U.S. GSA - Public Utilities
Comcast	C	Indiana	49C01-9802-CP-000386	6/99	Late Fees (Affidavit)	Ken Hecht, et al..
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	6/99	Economic Subsidy Issues (Surrebuttal)	Division of the Ratepayer Advocate
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162 PUCRS 11514-98N	5/99	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Cablevision of Bergen, Bayonne, Newark	C	New Jersey	CR98111197-199 CR98111190	5/99	Cable Rates Forms 1240/1205	Division of the Ratepayer Advocate
Cablevision of Bergen, Hudson, Monmouth	C	New Jersey	CR97090624-626 CTV 1697-98N	5/99	Cable Rates - Form 1235 (Rebuttal)	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2860	4/99	Revenue Requirements	Division of Public Utilities & Carriers
Montague Water and Sewer Companies	W/WW	New Jersey	WR98101161 WR98101162	4/99	Revenue Requirements Rate Design	Division of the Ratepayer Advocate
PEPCO	E	District of Columbia	945	4/99	Divestiture of Assets	U.S. GSA - Public Utilities
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	4/99	Merger Approval (Surrebuttal)	Citizens' Utility Ratepayer Board
Delmarva Power and Light Company	E	Delaware	98-479F	3/99	Fuel Costs	Division of the Public Advocate
Lenfest Atlantic d/b/a Suburban Cable	C	New Jersey	CR97070479 et al..	3/99	Cable Rates	Division of the Ratepayer Advocate
Electric Restructuring Comments	E	District of Columbia	945	3/99	Regulatory Policy	U.S. GSA - Public Utilities
Petitions of BA-NJ and NJPA re: Payphone Ops	T	New Jersey	TO97100792 PUCOT 11269-97N	3/99	Tariff Revision Payphone Subsidies FCC Services Test (Rebuttal)	Division of the Ratepayer Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	3/99	Merger Approval (Answering)	Citizens' Utility Ratepayer Board
Western Resources, Inc. and Kansas City Power & Light	E	Kansas	97-WSRE-676-MER	2/99	Merger Approval	Citizens' Utility Ratepayer Board
Adelphia Cable Communications	C	Vermont	6117-6119	1/99	Late Fees (Additional Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees (Direct Supplemental)	Department of Public Service
Adelphia Cable Communications	C	Vermont	6117-6119	12/98	Cable Rates (Forms 1240, 1205, 1235) and Late Fees	Department of Public Service
Orange and Rockland/ Consolidated Edison	E	New Jersey	EM98070433	11/98	Merger Approval	Division of the Ratepayer Advocate
Cablevision	C	New Jersey	CR97090624 CR97090625 CR97090626	11/98	Cable Rates - Form 1235	Division of the Ratepayer Advocate
Petitions of BA-NJ and NJPA re: Payphone Ops.	T	New Jersey	TO97100792 PUCOT 11269-97N	10/98	Payphone Subsidies FCC New Services Test	Division of the Ratepayer Advocate
United Water Delaware	W	Delaware	98-98	8/98	Revenue Requirements	Division of the Public Advocate
Cablevision	C	New Jersey	CR97100719, 726, 730, 732	8/98	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Potomac Electric Power Company	E	Maryland	Case No. 8791	8/98	Revenue Requirements Rate Design	U.S. GSA - Public Utilities
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	8/98	Anti-Competitive Practices (Rebuttal)	Division of the Ratepayer Advocate
Investigation of BA-NJ IntraLATA Calling Plans	T	New Jersey	TO97100808 PUCOT 11326-97N	7/98	Anti-Competitive Practices	Division of the Ratepayer Advocate
TCI Cable Company/ Cablevision	C	New Jersey	CTV 03264-03268 and CTV 05061	7/98	Cable Rates	Division of the Ratepayer Advocate
Mount Holly Water Company	W	New Jersey	WR98020058 PUC 03131-98N	7/98	Revenue Requirements	Division of the Ratepayer Advocate
Pawtucket Water Supply Board	W	Rhode Island	2674	5/98	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
Pawtucket Water Supply Board	W	Rhode Island	2674	4/98	Revenue Requirements	Division of Public Utilities & Carriers
Energy Master Plan Phase II Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	4/98	Electric Restructuring Issues (Supplemental Surrebuttal)	Division of the Ratepayer Advocate
Energy Master Plan Phase I Proceeding - Restructuring	E	New Jersey	EX94120585U, EO97070457,60,63,66	3/98	Electric Restructuring Issues	Division of the Ratepayer Advocate
Shorelands Water Company	W	New Jersey	WR97110835 PUC 11324-97	2/98	Revenue Requirements	Division of the Ratepayer Advocate
TCI Communications, Inc.	C	New Jersey	CR97030141, et al...	11/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Citizens Telephone Co. of Kecksburg	T	Pennsylvania	R-00971229	11/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	10/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Universal Service Funding	T	New Jersey	TX95120631	10/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	9/97	Low Income Fund High Cost Fund	Division of the Ratepayer Advocate
Consumers Pennsylvania Water Co. - Shenango Valley Division	W	Pennsylvania	R-00973972	9/97	Revenue Requirements	Office of Consumer Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Delmarva Power and Light Company	G/E	Delaware	97-65	9/97	Cost Accounting Manual Code of Conduct	Office of the Public Advocate
Western Resources, Oneok, and WAI	G	Kansas	WSRG-486-MER	9/97	Transfer of Gas Assets	Citizens' Utility Ratepayer Board
Universal Service Funding	T	New Jersey	TX95120631	9/97	Schools and Libraries Funding (Rebuttal)	Division of the Ratepayer Advocate
Universal Service Funding	T	New Jersey	TX95120631	8/97	Schools and Libraries Funding	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	8/97	Revenue Requirements (Surrebuttal)	Division of Public Utilities and Carriers
Ironton Telephone Company	T	Pennsylvania	R-00971182	8/97	Alternative Regulation Network Modernization (Surrebuttal)	Office of Consumer Advocate
Ironton Telephone Company	T	Pennsylvania	R-00971182	7/97	Alternative Regulation Network Modernization	Office of Consumer Advocate
Comcast Cablevision	C	New Jersey	Various	7/97	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR97010052 PUCRA 3154-97N	7/97	Revenue Requirements	Division of the Ratepayer Advocate
Kent County Water Authority	W	Rhode Island	2555	6/97	Revenue Requirements	Division of Public Utilities and Carriers
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	6/97	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Consumers Pennsylvania Water Co. - Roaring Creek	W	Pennsylvania	R-00973869	5/97	Revenue Requirements	Office of Consumer Advocate
Delmarva Power and Light Company	E	Delaware	97-58	5/97	Merger Policy	Office of the Public Advocate
Middlesex Water Company	W	New Jersey	WR96110818 PUCRL 11663-96N	4/97	Revenue Requirements	Division of the Ratepayer Advocate
Maxim Sewerage Corporation	WW	New Jersey	WR96080628 PUCRA 09374-96N	3/97	Purchased Sewerage Adjustment	Division of the Ratepayer Advocate
Interstate Navigation Company	N	Rhode Island	2484	3/97	Revenue Requirements Cost of Capital (Surrebuttal)	Division of Public Utilities & Carriers
Interstate Navigation Company	N	Rhode Island	2484	2/97	Revenue Requirements Cost of Capital	Division of Public Utilities & Carriers
Electric Restructuring Comments	E	District of Columbia	945	1/97	Regulatory Policy	U.S. GSA - Public Utilities
United Water Delaware	W	Delaware	96-194	1/97	Revenue Requirements	Office of the Public Advocate
PEPCO/ BGE/ Merger Application	E/G	District of Columbia	951	10/96	Regulatory Policy Cost of Capital (Rebuttal)	GSA
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	10/96	Revenue Requirements Cost of Capital (Supplemental)	Citizens' Utility Ratepayer Board
PEPCO and BGE Merger Application	E/G	District of Columbia	951	9/96	Regulatory Policy Cost of Capital	U.S. GSA - Public Utilities
Utilicorp United, Inc.	G	Kansas	193,787-U	8/96	Revenue Requirements	Citizens' Utility Ratepayer Board
TKR Cable Company of Gloucester	C	New Jersey	CTV07030-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
TKR Cable Company of Warwick	C	New Jersey	CTV057537-95N	7/96	Cable Rates (Oral Testimony)	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	95-196F	5/96	Fuel Cost Recovery	Office of the Public Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Western Resources, Inc.	E	Kansas	193,306-U 193,307-U	5/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Princeville Utilities Company, Inc.	W/WW	Hawaii	95-0172 95-0168	1/96	Revenue Requirements Rate Design	Princeville at Hanalei Community Association
Western Resources, Inc.	G	Kansas	193,305-U	1/96	Revenue Requirements Cost of Capital	Citizens' Utility Ratepayer Board
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements Rate Design (Supplemental)	Division of the Ratepayer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319 (Remand Hearing)	11/95	Revenue Requirements	Division of the Ratepayer Advocate
Lanai Water Company	W	Hawaii	94-0366	10/95	Revenue Requirements Rate Design	Division of Consumer Advocacy
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01382-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Cablevision of New Jersey, Inc.	C	New Jersey	CTV01381-95N	8/95	Basic Service Rates (Oral Testimony)	Division of the Ratepayer Advocate
Chesapeake Utilities Corporation	G	Delaware	95-73	7/95	Revenue Requirements	Office of the Public Advocate
East Honolulu Community Services, Inc.	WW	Hawaii	7718	6/95	Revenue Requirements	Division of Consumer Advocacy
Wilmington Suburban Water Corporation	W	Delaware	94-149	3/95	Revenue Requirements	Office of the Public Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	1/95	Revenue Requirements (Supplemental)	Division of the Ratepayer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	1/95	Revenue Requirements (Surrebuttal)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00943177	12/94	Revenue Requirements	Office of Consumer Advocate
Environmental Disposal Corporation	WW	New Jersey	WR94070319	12/94	Revenue Requirements	Division of the Ratepayer Advocate
Delmarva Power and Light Company	E	Delaware	94-84	11/94	Revenue Requirements	Office of the Public Advocate
Delmarva Power and Light Company	G	Delaware	94-22	8/94	Revenue Requirements	Office of the Public Advocate
Empire District Electric Company	E	Kansas	190,360-U	8/94	Revenue Requirements	Citizens' Utility Ratepayer Board
Morris County Municipal Utility Authority	SW	New Jersey	MM10930027 ESW 1426-94	6/94	Revenue Requirements	Rate Counsel
US West Communications	T	Arizona	E-1051-93-183	5/94	Revenue Requirements (Surrebuttal)	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	5/94	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
US West Communications	T	Arizona	E-1051-93-183	3/94	Revenue Requirements	Residential Utility Consumer Office
Pawtucket Water Supply Board	W	Rhode Island	2158	3/94	Revenue Requirements	Division of Public Utilities & Carriers
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J	2/94	Revenue Requirements (Supplemental)	Rate Counsel
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements (Supplemental)	Office of Consumer Advocate
Roaring Creek Water Company	W	Pennsylvania	R-00932665	9/93	Revenue Requirements	Office of Consumer Advocate
Kent County Water Authority	W	Rhode Island	2098	8/93	Revenue Requirements (Surrebuttal)	Division of Public Utilities & Carriers
Wilmington Suburban Water Company	W	Delaware	93-28	7/93	Revenue Requirements	Office of Public Advocate

<u>Company</u>	<u>Utility</u>	<u>State</u>	<u>Docket</u>	<u>Date</u>	<u>Topic</u>	<u>On Behalf Of</u>
Kent County Water Authority	W	Rhode Island	2098	7/93	Revenue Requirements	Division of Public Utilities & Carriers
Camden County Energy Recovery Associates, Inc.	SW	New Jersey	SR91111718J ESW1263-92	4/93	Revenue Requirements	Rate Counsel
Pollution Control Financing Authority of Camden County	SW	New Jersey	SR91111718J ESW 1263-92	4/93	Revenue Requirements	Rate Counsel
Jamaica Water Supply Company	W	New York	92-W-0583	3/93	Revenue Requirements	County of Nassau Town of Hempstead
New Jersey-American Water Company	W/WW	New Jersey	WR92090908J PUC 7266-92S	2/93	Revenue Requirements	Rate Counsel
Passaic County Utilities Authority	SW	New Jersey	SR91121816J ESW0671-92N	9/92	Revenue Requirements	Rate Counsel
East Honolulu Community Services, Inc.	WW	Hawaii	7064	8/92	Revenue Requirements	Division of Consumer Advocacy
The Jersey Central Power and Light Company	E	New Jersey	PUC00661-92 ER91121820J	7/92	Revenue Requirements	Rate Counsel
Mercer County Improvement Authority	SW	New Jersey	EWS11261-91S SR91111682J	5/92	Revenue Requirements	Rate Counsel
Garden State Water Company	W	New Jersey	WR9109-1483 PUC 09118-91S	2/92	Revenue Requirements	Rate Counsel
Elizabethtown Water Company	W	New Jersey	WR9108-1293J PUC 08057-91N	1/92	Revenue Requirements	Rate Counsel
New-Jersey American Water Company	W/WW	New Jersey	WR9108-1399J PUC 8246-91	12/91	Revenue Requirements	Rate Counsel
Pennsylvania-American Water Company	W	Pennsylvania	R-911909	10/91	Revenue Requirements	Office of Consumer Advocate
Mercer County Improvement Authority	SW	New Jersey	SR9004-0264J PUC 3389-90	10/90	Revenue Requirements	Rate Counsel
Kent County Water Authority	W	Rhode Island	1952	8/90	Revenue Requirements Regulatory Policy (Surrebuttal)	Division of Public Utilities & Carriers
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests (Supplemental)	NY State Consumer Protection Board
New York Telephone	T	New York	90-C-0191	7/90	Revenue Requirements Affiliated Interests	NY State Consumer Protection Board
Kent County Water Authority	W	Rhode Island	1952	6/90	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Ellesor Transfer Station	SW	New Jersey	SO8712-1407 PUC 1768-88	11/89	Regulatory Policy	Rate Counsel
Interstate Navigation Co.	N	Rhode Island	D-89-7	8/89	Revenue Requirements Regulatory Policy	Division of Public Utilities & Carriers
Automated Modular Systems, Inc.	SW	New Jersey	PUC1769-88	5/89	Revenue Requirements Schedules	Rate Counsel
SNET Cellular, Inc.	T	Connecticut	-	2/89	Regulatory Policy	First Selectman Town of Redding

APPENDIX B
SUPPORTING SCHEDULES

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****REVENUE REQUIREMENT SUMMARY**

	Company Claim (A)	Recommended Adjustment	Recommended Position	
1. Pro Forma Rate Base	\$63,773,350	(\$52,335)	\$63,721,015	(B)
2. Required Cost of Capital	7.54%	-0.72%	6.82%	(C)
3. Required Return	\$4,809,558	(\$465,282)	\$4,344,276	
4. Operating Income @ Present Rates	3,558,796	1,407,860	4,966,656	(D)
5. Operating Income Deficiency	\$1,250,762	(\$1,873,142)	(\$622,380)	
6. Revenue Multiplier	1.3511	0.0168	1.3679	(E)
7. Required Base Revenue Increase	<u>\$1,689,905</u>	<u>(\$2,541,282)</u>	<u>(\$851,378)</u>	

Sources:

(A) Company Filing, Section 3, WP-3 Revenue Requirement.

(B) Schedule ACC-3.

(C) Schedule ACC-2.

(D) Schedule ACC-8.

(E) Schedule ACC-33.

Schedule ACC-2

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

REQUIRED COST OF CAPITAL

	Capital Structure	Cost Rate	Weighted Cost
	(A)	(A)	
1. Long-Term Debt	48.35%	4.70%	2.27%
2. Common Equity	51.65%	8.80%	4.55%
3. Total Cost of Capital			<u>6.82%</u>

Sources:

(A) Testimony of Dr. Woolridge, Exhibit JRW-1.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****RATE BASE SUMMARY**

	Company Claim	Recommended Adjustment		Recommended Position
	(A)			
1. Utility Plant-in-Service	\$123,322,841	(53,332)	(B)	\$123,269,509
Less:				
2. Accumulated Depreciation	(42,104,067)	6,167	(B)	(42,097,900)
3. Net Utility Plant-in-Service	\$81,218,774	(\$47,165)		\$81,171,609
Plus:				
4. Materials and Supplies	\$2,488,546	\$0		\$2,488,546
5. Prepayments	385,198	(5,268)	(C)	379,930
6. Cash Working Capital	125,126	0		125,126
Less:				
7. Accumulated Deferred Taxes	(\$12,398,178)	\$98	(D)	(\$12,398,080)
8. ADIT Liability Remeasurement	(7,592,787)	0		(7,592,787)
9. Customer Deposits	(436,996)	0		(436,996)
10. Customer Advances	(16,333)	0		(16,333)
11. Total Rate Base	<u>\$63,773,350</u>	<u>(\$52,335)</u>		<u>\$63,721,015</u>

Sources:

(A) Company Filing, Section 3, WP-3.1 Rate Base.

(B) Schedules ACC-4, ACC-5, and ACC-6.

(C) Schedule ACC-7.

(D) Schedule ACC-4.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****UTILITY PLANT-IN-SERVICE -
CONSTRUCTION WORK IN PROGRESS**

	CWIP Not Completed	Allocation To Kansas	CWIP Adjustment	Depre. Reserve	ADIT Reserve
	(A)	(B)		(C)	(D)
1. Intangible	(\$32,333)	5.01%	(\$1,620)	162	98
2. Distribution	(24,650)	100.00%	(24,650)	933	0
3. General	(554)	5.01%	(28)	1	0
4. Total	<u>(\$57,536)</u>		<u>(\$26,297)</u>	<u>\$1,096</u>	<u>\$98</u>

Sources:

(A) Derived from response to CURB-110.

(B) Allocations per WP Adj 5 CWIP Adjustment.

(C) Pro-rated based on Depreciation Reserve Additions per WP Adj 5 CWIP Adjustment.

(D) Pro-rated based on ADIT Reserve Additions per WP Adj 5 CWIP Adjustment.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****UTILITY PLANT-IN-SERVICE -
COMMON PLANT ALLOCATION**

	Utility Plant In Service	Accumulated Depreciation
	<hr/>	<hr/>
1. Per Original Filing (A)	\$109,200	(\$68,435)
2. Revised to Reflect Water and Non-Reg Allocation (B)	<hr/> 116,284	<hr/> (72,874)
3. Recommended Adjustment	<u>(\$7,084)</u>	<u>\$4,439</u>

Sources:

(A) Company Filing, WP Adj 2 Common Property Gas Adjustment.

(B) Per the response to KCC-289.

Schedule ACC-6

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

CAPITALIZED MERIT INCREASES

1. Utility Plant in Service	(\$19,951)	(A)
2. Accumulated Depreciation	<u>632</u>	(A)
3. Recommended Adjustment	<u>(\$19,319)</u>	

Sources:

(A) Company Filing, WP Adj 16 Merit Increase Adjustment.

Schedule ACC-7

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

PREPAYMENTS - PURCHASED POWER

1. June 30, 2018 Balance	\$66,678	(A)
2. Company Claim	<u>71,946</u>	(A)
3. Total Recommended Adjustment	<u>(\$5,268)</u>	

Sources:

(A) Company Filing, WP Adj 21 Prepayments - Fuel Detail.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****OPERATING INCOME SUMMARY**

		Schedule
1. Company Claim	\$3,558,796	1
2. Merit Increase Expense	42,534	9
3. Open Positions Labor Expense	69,977	10
4. Long-Term Incentive Compensation Expense	9,249	11
5. Short-Term Incentive Compensation Expense	29,105	12
6. Prepaid Pension Expense	43,516	13
7. Medical, Dental and Vision Exzpende	1,276	14
8. Uncollectible Expense	6,222	15
9. Common Plant Allocation Related Expense	5,938	16
10. Non-Recurring Maintenance Expense	30,897	17
12. Non-Recurring Software Expense	9,596	18
13. Rate Case Expense	24,980	19
14. Ice Storm Amortization Expense	54,156	20
15. Meals and Entertainment Expense	3,245	21
16. Membership Dues and Donations Expense	436	22
17. Miscellaneous Operating Expense	1,740	23
18. Property Tax Expense	215	24
19. Depreciation Expense - New Rates	832,675	25
20. Depreciation - Construction Work in Progress	805	26
21. Amortization Overage Expense	13,469	27
22. State Income Tax Expense	(13,940)	28
23. Unprotected EDIT Amortization	259,031	29
24. Protected EDIT Amortization	(16,874)	30
25. Interest Synchronization	(389)	31
	<hr/>	
26. Net Operating Income	<u>\$4,966,656</u>	

Schedule ACC-9

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

MERIT INCREASE EXPENSE

1. Merit Expense Adjustment	\$57,547	(A)
2. Impact on Overtime Adjustment	<u>347</u>	(B)
3. Total Recommended Adjustment	\$57,894	
4. Income Taxes @ 26.53%	<u>15,359</u>	
5. Operating Income Impact	<u>\$42,534</u>	

Sources:

(A) Company Filing, Adjustment No. 16.

(B) Derived from Company Filing, WP Adj 28 -
Overtime Expense Calculation.

Schedule ACC-10

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

OPEN POSITIONS LABOR EXPENSE

1. Company Claim	\$95,246	(A)
2. Income Taxes @	26.53%	<u>25,269</u>
3. Operating Income Impact	<u>\$69,977</u>	

Sources:

(A) Company Filing, Adjustment No. 9.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

LONG-TERM INCENTIVE COMPENSATION EXPENSE

1. Recommended Adjustment		\$12,589	(A)
2. Income Taxes @	26.53%	<u>3,340</u>	
3. Operating Income Impact		<u>\$9,249</u>	

Sources:

(A) Response to CURB-117.

Schedule ACC-12

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

SHORT-TERM INCENTIVE COMPENSATION EXPENSE

1. Non-Executive STIP Expense	\$63,319	(A)
2. Recommended Adjustment (%)	<u>50.00%</u>	(B)
3. Recommended Adjustment (\$)	\$31,660	
4. Executive STIP Expense	<u>7,955</u>	(C)
5. Total Recommended Adjustment	\$39,615	
6. Income Taxes @ 26.53%	<u>10,510</u>	
7. Operating Income Impact	<u>\$29,105</u>	

Sources:

(A) Response to CURB-118.

(B) Recommendation of Ms. Crane.

(C) Response to CURB-117.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

PREPAID PENSION EXPENSE

1. Company Claim		\$59,229	(A)
2. Income Taxes @	26.53%	<u>15,713</u>	
3. Operating Income Impact		<u>\$43,516</u>	

Sources:

(A) Company Filing, WP Ajd 18 Prepaid Pension Asset Adjustment.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

MEDICAL, DENTAL AND VISION EXPENSE

1. Recommended Adjustment	\$1,737	(A)
2. Income Taxes @	26.53%	<u>461</u>
3. Operating Income Impact	<u>\$1,276</u>	

Sources:

(A) Company Filing, WP Adj 12 Medical, Dental & Vision Expense Calculation.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

UNCOLLECTIBLE EXPENSE

1. Adjustment for Rate Increase		\$8,469	(A)
2. Income Taxes @	26.53%	<u>2,247</u>	
3. Operating Income Impact		<u>\$6,222</u>	

Sources:

(A) Company Filing, WP Adj 8 Uncollectible Expense Calculation.
(Base Rate Case Adjustment Only)

Schedule ACC-16

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

COMMON PLANT ALLOCATION EXPENSE

1. Depreciation Expense Allocation	\$6,786	(A)
2. Property Tax Allocation	<u>1,297</u>	(B)
3. Total Recommended Adjustment	\$8,083	
4. Income Taxes @ 26.53%	<u>2,144</u>	
5. Operating Income Impact	<u>\$5,938</u>	

Sources:

(A) Based on current depreciation rates, per the response to CURB-3.

(B) Based on property tax rate of 1.115% and total adjustment of \$116,284 per the response to KCC-289.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

NON-RECURRING MAINTENANCE EXPENSE

1. Recommended Adjustment	\$42,054	(A)
2. Income Taxes @	26.53%	<u>11,157</u>
3. Operating Income Impact	<u>\$30,897</u>	

(A) Response to CURB-126.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

NON-RECURRING SOFTWARE EXPENSE

1. Recommended Adjustment	\$13,061	(A)
2. Income Taxes @	26.53%	<u>3,465</u>
3. Operating Income Impact	<u>\$9,596</u>	

Sources:

(A) Response to CURB-127.

Schedule ACC-19

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

RATE CASE EXPENSE

1. Regulatory Reform Consultant	\$102,000	(A)
2. Recommended Amortization Period	<u>3</u>	(A)
3. Recommended Adjustment	\$34,000	
4. Income Taxes @ 26.53%	<u>9,020</u>	
5. Operating Income Impact	<u>\$24,980</u>	

Sources:

(A) Company Filing, WP Adj 7 Rate Case Expense Adjustment.

Schedule ACC-20

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

ICE STORM AMORTIZATION EXPENSE

1. Ice Storm Balance @ 9/1/19	\$110,567	(A)
2. Recommended Amortization Period	<u>3</u>	(B)
3. Total Annual Amortization	\$36,856	
4. Company Claim	<u>132,681</u>	(A)
5. Recommended Adjustment	\$73,711	
6. Income Taxes @ 26.53%	<u>19,556</u>	
7. Operating Income Impact	<u>\$54,156</u>	

Sources:

(A) Response to KCC-322.

(B) Recommendation of Ms. Crane.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

MEALS AND ENTERTAINMENT EXPENSE

1. Recommended Adjustment	\$4,417	(A)
2. Income Taxes @	26.53% <u>1,172</u>	
3. Operating Income Impact	<u>\$3,245</u>	

Sources:

(A) Company Filing, Section 11, WP - 11.2 - 11.3 Calculation of Taxable Income with Description of Adjustments.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****MEMBERSHIP DUES AND DONATIONS EXPENSE**

1. Chamber of Commerce Dues	\$20,538	(A)
2. United Way Donations	<u>7,452</u>	(B)
3. Total Recommended Adjustment	\$27,990	
4. Recommended Disallowance (%)	<u>50.00%</u>	(C)
5. Recommended Disallowance (\$)	\$13,995	
6. Allocation to Kansas	<u>4.24%</u>	(D)
7. Allocation to Kansas	\$593	
8. Income Taxes @	26.53% <u>157</u>	
9. Operating Income Impact	<u>\$436</u>	

Sources:

(A) Response to KCC-62.

(B) Response to KCC-126.

(C) Recommendation of Ms. Crane.

(D) Based on Other Administrative and General Allocation,
per Company Filing, Section 12, WP Expenses.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****MISCELLANEOUS OPERATING EXPENSE**

1. Holiday Gifts	\$8,395	(A)
3. Joplin Snacks	26,629	(A)
4. Council of State Governments Event	5,000	(A)
5. The Meat N Place (High School Athletics)	737	(A)
Advertising:		
6. Community Recognition	2,000	(B)
7. Name Recognition	420	(B)
8. Camp Ad Value of Electricy	5,215	(B)
9. Camp Ad Mis - College Sports	<u>7,450</u>	(B)
10. Total Adjustment	55,845	
11. Allocation to Kansas (%)	<u>4.24%</u>	(C)
12. Allocation to Kansas (\$)	\$2,368	
13. Income Taxes @	26.53% <u>628</u>	
14. Operating Income Impact	<u>\$1,740</u>	

Sources:

(A) Response to KCC-126.

(B) Response to KCC-51.

(C) Based on Other Administrative and General Allocation, per Company Filing, Section 12, WP Expenses.

Schedule ACC-24

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

PROPERTY TAX EXPENSE

1. CWIP Adjustment	\$26,297	(A)
2. Property Tax Ratio	<u>1.115%</u>	(B)
3. Property Tax Adjustment	\$293	
4. Income Taxes @	26.53% <u>78</u>	
5. Operating Income Impact	<u>\$215</u>	

Sources:

(A) Schedule ACC-4.

(B) Company Filing, WP Adj 5 CWIP Adjustment.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

DEPRECIATION EXPENSE - NEW RATES

1. Depreciation Expense Per Company	\$3,949,538	(A)
2. Depreciation Expense Per CURB Rates	<u>2,816,184</u>	(B)
3. Recommended Adjustment	\$1,133,354	
4. Income Taxes @ 26.53%	<u>300,679</u>	
5. Operating Income Impact	<u>\$832,675</u>	

Sources:

(A) Response to CURB-3.

(B) Recommendation of Mr. Garren.

Schedule ACC-26

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

**DEPRECIATION EXPENSE -
CONSTRUCTION WORK IN PROGRESS**

1. CWIP Depreciation Expense Adjustment	\$1,096	(A)
2. Income Taxes @ 26.53%	<u>291</u>	
3. Operating Income Impact	<u>\$805</u>	

Sources:

(A) Based on Adjustments per Schedule ACC-4 and on Company Filing, WP Adj 5 CWIP Adjustment.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

AMORTIZATION OVERAGE EXPENSE

1. Wind Storm Amortization		\$4,537	(A)
2. 2009 Kansas Rate Case		<u>50,461</u>	(A)
3. Recommended Adjustment		\$54,998	
4. Amortization Period		<u>3</u>	(B)
5. Annual Adjustment		\$18,333	
6. Income Taxes @	26.53%	<u>4,864</u>	
7. Operating Income Impact		<u>\$13,469</u>	

Sources:

(A) Based on Company Filing, WP Adj 10 Amortization Overage.

Reflects an additional 8 months of amortization expense, through August 31, 2019.

(B) Amortization period per Company Filing, WP Adj 10 Amortization Overage.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****STATE INCOME TAX EXPENSE**

1. Recommended State Adjustment	\$17,645	(A)
2. Recommended Federal Adjustment	<u>(3,705)</u>	(B)
3. Total Recommended Adjustment	\$13,940	
4. Operating Income Impact	<u>(\$13,940)</u>	

Sources:

(A) Reflects 7% Statutory State Income Tax Rate. Derived from Company Filing, WP Section 11 - Taxes Other.

(B) Reflects impact on Federal Income Taxes of Changing the State Income Tax Rate. Derived from Company Filing, WP Section 11 - Taxes Other.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

UNPROTECTED EDIT AMORTIZATION

1. Unprotected EDIT	\$1,523,163	(A)
2. Amortization Period	<u>5</u>	(B)
3. Annual Amortization	\$304,633	
4. Company Claim	<u>45,602</u>	(C)
5. Recommended Adjustment	\$259,031	
6. Operating Income Impact	<u>\$259,031</u>	

Sources:

(A) Response to KCC-272.

(B) Recommendation of Ms. Crane.

(C) Company Filing, WP Adj. 20 Excess ADIT Amortization.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

PROTECTED EDIT AMORTIZATION

1. Original Company Claim	\$167,198	(A)
2. Updated Company Claim	<u>150,324</u>	(B)
3. Recommended Adjustment	(\$16,874)	
4. Operating Income Impact	<u>(\$16,874)</u>	

Sources:

(A) Company Filing, WP Adj. 20 Excess EDIT Amortization.

(B) Response to KCC-272.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****INTEREST SYNCHRONIZATION**

1. Pro Forma Rate Base	\$63,721,015	(A)
2. Weighted Cost of Debt	<u>2.27%</u>	(B)
3. Pro Forma Interest Expense	\$1,448,028	
4. Company Claim	<u>1,449,493</u>	(C)
5. Decrease in Taxable Income	(\$1,465)	
6. Income Taxes @ 26.53%	<u>(\$389)</u>	

Sources:

(A) Schedule ACC-3.

(B) Schedule ACC-2.

(C) Company Filing, Section 11, Workpaper 11.2 11.3 -

Calculation of Taxable Income with Description of Adjustments.

Schedule ACC-32

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

INCOME TAX FACTOR

1. Revenue	100.00%	
2. State Income Tax Rate	<u>7.00%</u>	(A)
3. Federal Taxable Income	93.00%	
4. Income Taxes @ 21%	<u>19.53%</u>	(A)
5. Operating Income	73.47%	
6. Total Tax Rate	<u>26.53%</u>	(B)

Sources:

(A) Reflects Statutory Tax Rates.

(B) Line 2 + Line 4.

EMPIRE DISTRICT ELECTRIC COMPANY

TEST YEAR ENDED JUNE 30, 2018

REVENUE MULTIPLIER

1. Revenue		100.00%	
2. Uncollectibles		<u>0.5%</u>	(A)
3. Net Taxable Revenue		99.5%	
4. State Income Taxes @	7.00%	<u>6.97%</u>	(B)
5. Federal Taxable Income		92.535%	
6. Income Taxes @	21.00%	<u>19.43%</u>	(B)
7. Operating Income		73.10%	
8 Revenue Multiplier		<u>1.3679</u>	(C)

(A) Company Filing, WP Adj 8 Uncollectible Expense Calculation.

(B) Reflects Statutory Tax Rates.

(C) Line 1 / Line 7.

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****REVENUE REQUIREMENT IMPACT OF ADJUSTMENTS**

1. Rate of Return	(\$623,822)
Rate Base Adjustments:	
2. CWIP	(2,312)
3. Common Plant	(244)
4. Merit Increase Capitalized	(1,780)
5. Fuel Prepayments	(485)
Operating Income Adjustments	
6. Merit Increase Expense	(57,468)
7. Open Positions Labor Expense	(94,546)
8. Long-Term Incentive Compensation Expense	(12,497)
9. Short-Term Incentive Compensation Expense	(39,323)
10. Prepaid Pension Expense	(58,794)
11. Medical, Dental and Vision Expense	(1,724)
12. Uncollectible Expense	(8,406)
13. Common Plant Allocation Related Expense	(8,023)
14. Non-Recurring Maintenance Expense	(41,745)
15. Non-Recurring Software Expense	(12,965)
16. Rate Case Expense	(33,750)
17. Ice Storm Amortization Expense	(73,170)
18. Meals and Entertainment Expense	(4,385)
19. Membership Dues and Donations Expense	(589)
20. Miscellaneous Operating Expense	(2,350)
21. Property Tax Expense	(291)
22. Depreciation Expense - New Rates	(1,125,027)
23. Depreciation - Construction Work in Progress	(1,088)
24. Amortization Overage Expense	(18,198)
25. State Income Tax Expense	18,834
26. Unprotected EDIT Amortization	(349,976)
27. Protected EDIT Amortization	22,798
28. Interest Synchronization	525
29. Revenue Multiplier	<u>(10,481)</u>
30. Total Recommended Adjustments	(\$2,541,282)
31. Company Claim	<u>1,689,905</u>
32. Revenue Requirement Deficiency	<u>(\$851,378)</u>

EMPIRE DISTRICT ELECTRIC COMPANY**TEST YEAR ENDED JUNE 30, 2018****PRO FORMA INCOME STATEMENT**

	Per Company	Recommended Adjustments	Pro Forma Present Rates	Recommended Rate Adjustment	Pro Forma Proposed Rates
1. Operating Revenues	\$16,843,573	\$0	\$16,843,573	(\$851,378)	\$15,992,195
2. Operating Expenses	7,578,195	(471,691)	7,106,504	(4,257)	7,102,247
3. Depreciation and Amortization	4,145,032	(1,134,450)	3,010,582	0	3,010,582
4. Taxes Other Than Income	1,108,497	0	1,108,497	0	1,108,497
5. Taxable Income Before Interest Expenses	\$4,011,849	\$1,606,141	\$5,617,990	(\$847,121)	\$4,770,869
6. Interest Expense	1,449,493	(1,465)	1,448,028		1,448,028
7. Taxable Income	\$2,562,356	\$1,607,606	\$4,169,962	(\$847,121)	\$3,322,841
8. Income Taxes @ 26.53%	453,053	198,281	651,334	(224,741)	426,593
9. Operating Income	\$3,558,796	\$1,407,860	\$4,966,656	(\$622,380)	\$4,344,277
10. Rate Base	\$63,773,350		\$63,721,015		\$63,721,015
11. Rate of Return	<u>5.58%</u>		<u>7.79%</u>		<u>6.82%</u>

APPENDIX C

Referenced Data Requests:

**CURB-3
CURB-106
CURB-110
CURB-114
CURB-115
CURB-117*
CURB-118
CURB-126
CURB-127**

**KCC-23
KCC-51*
KCC-62*
KCC-113
KCC-126**
KCC-247
KCC-272
KCC-289***
KCC-322**

*** Confidential – Not Included**

**** Voluminous Attachment Not Included**

***** Partial Response**



The Empire District Electric Company
A Liberty Utilities Company
Docket No. 19-EPDE-223-RTS
CURB Data Request – 3
Page 1 of 1

Data Request Received: 12/31/18
Request No. 3

Date of Response: 1/8/19
Respondent: Leslie Forest

REQUEST:

Regarding the Company's depreciation expense adjustment of \$250,291, please identify how much of this adjustment is related to the proposed changes to depreciation rates. Please provide all supporting calculations and workpapers with your response.

RESPONSE:

The deprecation adjustment of \$250,291 reflects an annualized amount of depreciation expense, inclusive of the change in depreciation rates and depreciable plant, as well as the transfer of transmission-related plant from base rates to the TDC Rider.

The adjustment to depreciation expense related to the change in depreciation rates is \$414,582 as calculated and reflected in column m of CURB 3 Section 10 Depreciation and Amortization Expense.xlsx.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Leslie Forest

Date: January 8, 2019

Description	FERC CODE	FERC DESCR	Test Year Ending June 30, 2018 Plant Balance (1)	TDC Adjustment (1)	Adjusted Test Year Ending June 30 Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment	Existing Depreciation Rates	Total Current Depreciation Expense	Depreciation Expense Attributable to Change in Rates
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)	(k)	(l) = (f) * (k)	(m) = (h) - (l)
310R	310	Land	0.00	0.00	0.00	0.00%	0.00					
311R	311	Structures	8,111.03	0.00	8,111.03	11.52%	934.39			1.05%	85.17	849.22
312R	312	Boiler Plant	3,038.40	0.00	3,038.40	11.52%	350.02			1.86%	56.51	293.51
314R	314	Turbogenerators	0.00	0.00	0.00	11.52%	0.00			1.59%	-	-
315R	315	Access. Electric	516.56	0.00	516.56	11.52%	59.51			1.79%	9.25	50.26
316R	316	Misc. Equipment	0.00	0.00	0.00	11.52%	0.00			1.96%	-	-
RIVERTON			11,666		11,666		1,344				151	1,193
310A	310	Land	63,881.48	0.00	63,881.48	0.00	0.00					
311A	311	Structures	996,920.07	0.00	996,920.07	4.48%	44,662.02			1.06%	10,567.35	34,094.67
312A	312	Boiler Plant	10,379,149.53	0.00	10,379,149.53	5.61%	582,270.29			1.87%	194,090.10	388,180.19
312AT	312	(Unit Train)	0.00	0.00	0.00	5.43%	0.00			6.67%	-	-
314A	314	Turbogenerators	1,739,887.39	0.00	1,739,887.39	5.22%	90,822.12			1.60%	27,838.20	62,983.92
315A	315	Access. Electric	325,863.97	0.00	325,863.97	3.80%	12,382.83			1.79%	5,832.97	6,549.87
316A	316	Misc. Equipment	117,647.94	0.00	117,647.94	4.38%	5,152.98			1.95%	2,294.13	2,858.84
ASBURY			13,623,350		13,623,350		735,290				240,623	494,667
310I	310	Land	5,755.91	0.00	5,755.91	0.00%	0.00					
311I	311	Structures	193,825.53	0.00	193,825.53	1.96%	3,798.98			1.06%	2,054.55	1,744.43
312I	312	Boiler Plant	3,617,837.57	0.00	3,617,837.57	3.25%	117,579.72			1.89%	68,377.13	49,202.59
312IT	312	(Unit Train)	15,568.43	0.00	15,568.43	6.67%	1,038.41			6.67%	1,038.41	-
314I	314	Turbogenerators	717,319.39	0.00	717,319.39	2.88%	20,658.80			1.62%	11,620.57	9,038.22
315I	315	Access. Electric	401,980.54	0.00	401,980.54	3.67%	14,752.69			1.81%	7,275.85	7,476.84
316I	316	Misc. Equipment	64,766.52	0.00	64,766.52	2.41%	1,560.87			1.95%	1,262.95	297.93
IATAN 1			5,017,054		5,017,054		159,389				91,629	67,760
311I2	311	Structures	978,502.98	0.00	978,502.98	2.92%	28,572.29			1.06%	10,372.13	18,200.16
311.05	311	Reg Plan Amort	0.00	0.00	0.00	0.00%	0.00					
312I2	312	Boiler Plant	6,817,503.66	0.00	6,817,503.66	1.96%	133,623.07			1.89%	128,850.82	4,772.25
312.05	312	Reg Plan Amort	0.00	0.00	0.00	0.00%	0.00					
314I2	314	Turbogenerators	2,315,368.77	0.00	2,315,368.77	1.54%	35,656.68			1.62%	37,508.97	(1,852.30)
314.05	314	Reg Plan Amort	0.00	0.00	0.00	0.00%	0.00					
315I2	315	Access. Electric	591,800.30	0.00	591,800.30	1.60%	9,468.80			1.81%	10,711.59	(1,242.78)
315.05	315	Reg Plan Amort	0.00	0.00	0.00	0.00%	0.00					
316I2	316	Misc. Equipment	16,436.19	0.00	16,436.19	4.18%	687.03			1.95%	320.51	366.53
316.05	316	Reg Plan Amort	0.00	0.00	0.00	0.00%	0.00					
IATAN 2			10,719,612		10,719,612		208,008				187,764	20,244
310IC	310	Land	341.51	0.00	341.51	0.00%	0.00					
311IC	311	Structures	749,625.16	0.00	749,625.16	2.92%	21,889.05			1.06%	7,946.03	13,943.03
312IC	312	Boiler Plant	1,842,494.85	0.00	1,842,494.85	1.96%	36,112.90			1.89%	34,823.15	1,289.75
314IC	314	Turbogenerators	61,233.72	0.00	61,233.72	1.54%	943.00			1.62%	991.99	(48.99)
315IC	315	Access. Electric	228,158.23	0.00	228,158.23	1.60%	3,650.53			1.81%	4,129.66	(479.13)
316IC	316	Misc. Equipment	32,920.49	0.00	32,920.49	4.18%	1,376.08			1.95%	641.95	734.13
IATAN COMMON			2,914,774		2,914,774		63,972				48,533	15,439
310P	310	Land	45,262.75	0.00	45,262.75	0.00%	0.00					
311P	311	Structures	973,263.07	0.00	973,263.07	2.18%	21,217.13			1.06%	10,316.59	10,900.55
312P	312	Boiler Plant	2,550,997.24	0.00	2,550,997.24	2.17%	55,356.64			1.89%	48,213.85	7,142.79
312PT	312	(Unit Train) (1)	246,478.81	0.00	246,478.81	6.67%	16,440.14			6.67%	16,440.14	-
314P	314	Turbogenerators	814,417.07	0.00	814,417.07	2.18%	17,754.29			1.62%	13,193.56	4,560.74
315P	315	Access. Electric	255,811.19	0.00	255,811.19	2.12%	5,423.20			1.81%	4,630.18	793.01

Description	FERC CODE	FERC DESCR	Test Year Ending June 30, 2018 Plant Balance (1)	TDC Adjustment (1)	Adjusted Test Year Ending June 30 Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment	Existing Depreciation Rates	Total Current Depreciation Expense	Depreciation Expense Attributable to Change in Rates
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)	(k)	(l) = (f) * (k)	(m) = (h) - (l)
316P	316	Misc. Equipment	140,466.71	0.00	140,466.71	2.07%	2,907.66			1.95%	2,739.10	168.56
PLUM POINT			5,026,697		5,026,697		119,099				95,533	23,566
Disallowances (Added Back into Rate Base)			127,499	-	127,499	3.16%	4,029			2.91%	3,710.23	318.75
TOTAL STEAM PRODUCTION PLANT:			37,440,652		37,440,652		1,291,131	904,237	386,894		667,944	623,188
330	330	Land	10,717.35	0.00	10,717.35	0.00%	0.00				-	-
331	331	Structures	38,383.34	0.00	38,383.34	2.39%	917.36			1.66%	637.16	280.20
332	332	Dams	161,768.80	0.00	161,768.80	1.93%	3,122.14			1.67%	2,701.54	420.60
333	333	Turbogenerators	212,105.99	0.00	212,105.99	3.11%	6,596.50			1.47%	3,117.96	3,478.54
334	334	Access. Electric	69,989.99	0.00	69,989.99	3.14%	2,197.69			1.44%	1,007.86	1,189.83
335	335	Misc. Equipment	30,826.77	0.00	30,826.77	3.66%	1,128.26			2.44%	752.17	376.09
TOTAL HYDRO PRODUCTION PLANT:			523,792		523,792		13,962	7,436	6,526		8,217	5,745
340E	340	Land	7,717.69	0.00	7,717.69	0.00%	0.00				-	-
341E	341	Structures	109,571.70	0.00	109,571.70	1.61%	1,764.10			1.82%	1,994.20	(230.10)
342E	342	Fuel Holders	61,175.31	0.00	61,175.31	0.00%	0.00			3.85%	2,355.25	(2,355.25)
343E	343	Prime Movers	1,288,280.76	0.00	1,288,280.76	2.93%	37,746.63			1.92%	24,734.99	13,011.64
344E	344	Generators	261,470.34	0.00	261,470.34	0.00%	0.00			1.82%	4,758.76	(4,758.76)
345E	345	Access. Electric	103,179.20	0.00	103,179.20	5.55%	5,726.45			3.57%	3,683.50	2,042.95
346E	346	Misc. Equipment	85,864.74	0.00	85,864.74	0.00%	0.00			4.00%	3,434.59	(3,434.59)
ENERGY CENTER UNITS 1 & 2			1,917,260		1,917,260		45,237				40,961	4,276
341FT	341	Structures	53,277.00	0.00	53,277.00	3.27%	1,742.16			1.82%	969.64	772.52
342FT	342	Fuel Holders	66,458.34	0.00	66,458.34	2.99%	1,987.10			3.85%	2,558.65	(571.54)
343FT	343	Prime Movers	2,320,970.99	0.00	2,320,970.99	3.26%	75,663.65			1.92%	44,562.64	31,101.01
344FT	344	Generators	29,580.48	0.00	29,580.48	3.20%	946.58			1.82%	538.36	408.21
345FT	345	Access. Electric	161,145.18	0.00	161,145.18	3.15%	5,076.07			3.57%	5,752.88	(676.81)
346FT	346	Misc. Equipment	49,300.80	0.00	49,300.80	3.12%	1,538.18			3.99%	1,967.10	(428.92)
ENERGY CENTER FT8 UNITS 3 & 4			2,680,733		2,680,733		86,954				56,349	30,604
340	340	Land	11,980.62	0.00	11,980.62	0.00%	0.00				-	-
RIVERTON COMMON			11,981		11,981							
341R	341	Structures	381,877.61	0.00	381,877.61	4.51%	17,222.68			1.82%	6,950.17	10,272.51
342R	342	Fuel Holders	26,215.71	0.00	26,215.71	2.87%	752.39			3.85%	1,009.30	(256.91)
343R	343	Prime Movers	333,767.27	0.00	333,767.27	1.85%	6,174.69			1.92%	6,408.33	(233.64)
344R	344	Generators	84,205.16	0.00	84,205.16	2.36%	1,987.24			1.82%	1,532.53	454.71
345R	345	Access. Electric	73,440.00	0.00	73,440.00	3.13%	2,298.67			3.57%	2,621.81	(323.14)
346R	346	Misc. Equipment	49,006.17	0.00	49,006.17	4.00%	1,960.25			4.00%	1,960.25	-
RIVERTON CT UNITS 9, 10, 11			948,512		948,512		30,396				20,482	9,914
341R12	341	Structures	843,165.66	0.00	843,165.66	2.42%	20,404.61			1.82%	15,345.62	5,058.99
342R12	342	Fuel Holders	44,745.65	0.00	44,745.65	3.22%	1,440.81			3.85%	1,722.71	(281.90)
343R12	343	Prime Movers	7,161,507.11	0.00	7,161,507.11	2.01%	143,946.29			1.92%	137,500.94	6,445.36
344R12	344	Generators	1,010,434.80	0.00	1,010,434.80	2.05%	20,713.91			1.82%	18,389.91	2,324.00
345R12	345	Access. Electric	1,254,892.75	0.00	1,254,892.75	2.64%	33,129.17			3.57%	44,799.67	(11,670.50)
346R12	346	Misc. Equipment	124,640.17	0.00	124,640.17	2.11%	2,629.91			4.00%	4,985.61	(2,355.70)
RIVERTON UNIT 12			10,439,386		10,439,386		222,265				222,744	(480)
340S	340	Land	562.95	0.00	562.95	0.00%	0.00				-	-
341S	341	Structures	52,481.57	0.00	52,481.57	0.00%	0.00			1.82%	955.16	(955.16)
342S	342	Fuel Holders	150,822.97	0.00	150,822.97	1.59%	2,398.09			3.85%	5,806.68	(3,408.60)
343S	343	Prime Movers	1,179,873.95	0.00	1,179,873.95	2.42%	28,552.95			1.93%	22,771.57	5,781.38

Description	FERC CODE	FERC DESCR	Test Year Ending June 30, 2018 Plant Balance (1)	TDC Adjustment (1)	Adjusted Test Year Ending June 30 Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment	Existing Depreciation Rates	Total Current Depreciation Expense	Depreciation Expense Attributable to Change in Rates	
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)	(k)	(l) = (f)*(k)	(m) = (h)-(l)	
344S	344	Generators	235,733.85	0.00	235,733.85	1.41%	3,323.85			1.82%	4,290.36	(966.51)	
345S	345	Access. Electric	134,645.02	0.00	134,645.02	1.85%	2,490.93			3.57%	4,806.83	(2,315.89)	
346S	346	Misc. Equipment	7,037.10	0.00	7,037.10	3.77%	265.30			3.99%	280.78	(15.48)	
STATE LINE CT UNIT 1			1,761,157		1,761,157		37,031				38,911	(1,880)	
341SC	341	Structures	144,509.61	0.00	144,509.61	2.19%	3,164.76			2.86%	4,132.97	(968.21)	
342SC	342	Fuel Holders	10,729.73	0.00	10,729.73	0.00%	0.00			2.86%	306.87	(306.87)	
343SC	343	Prime Movers	29,882.85	0.00	29,882.85	2.07%	618.57			2.86%	854.65	(236.07)	
344SC	344	Generators	0.00	0.00	0.00	2.50%	0.00			2.86%	-	-	
345SC	345	Access. Electric	9,383.97	0.00	9,383.97	2.74%	257.12			2.86%	268.38	(11.26)	
346SC	346	Misc. Equipment	46,873.49	0.00	46,873.49	2.46%	1,153.09			2.86%	1,340.58	(187.49)	
STATE LINE COMMON			241,380		241,380		5,194				6,903	(1,710)	
340C	340	Land	39,693.54	0.00	39,693.54	0.00%	0.00				-	-	
341C	341	Structures	373,339.25	0.00	373,339.25	2.19%	8,176.13			2.86%	10,677.50	(2,501.37)	
342C	342	Fuel Holders	12,610.61	0.00	12,610.61	0.00%	0.00			2.86%	360.66	(360.66)	
343C	343	Prime Movers	5,110,332.99	0.00	5,110,332.99	2.07%	105,783.89			2.86%	146,155.52	(40,371.63)	
344C	344	Generators	1,433,517.68	0.00	1,433,517.68	2.50%	35,837.94			2.86%	40,998.61	(5,160.66)	
345C	345	Access. Electric	408,151.28	0.00	408,151.28	2.74%	11,183.35			2.86%	11,673.13	(489.78)	
346C	346	Misc. Equipment	130,632.13	0.00	130,632.13	2.46%	3,213.55			2.86%	3,736.08	(522.53)	
STATE LINE CC			7,508,277		7,508,277		164,195				213,602	(49,407)	
TOTAL OTHER PRODUCTION PLANT:			25,508,686		25,508,686		591,271		362,935		228,336	599,954	(8,683)
TOTAL PRODUCTION Before Adjustments			63,473,130		63,473,130		1,896,364		1,274,608		621,756	1,276,114	620,250
			F		F								
350	350	Land	564,211.37	(564,211.37)	0.00	0.00%	0.00				-	-	
352	352	Structures	153,896.83	(153,896.83)	0.00	1.82%	0.00			2.09%	-	-	
352i	352	Structures (latan)	1,088.98	(1,088.98)	0.00	1.82%	0.00			2.09%	-	-	
353	353	Station Equip.	7,729,755.42	(7,729,755.42)	0.00	2.23%	0.00			2.20%	-	-	
353i	353	Station Eq. (latan)	28,569.98	(28,569.98)	0.00	2.23%	0.00			2.20%	-	-	
354	354	Towers & Fixtures	90,909.97	(90,909.97)	0.00	1.54%	0.00			1.92%	-	-	
355	355	Poles & Fixtures	4,508,906.86	(4,508,906.86)	0.00	3.51%	0.00			3.33%	-	-	
356	356	OH Conductor	4,558,056.07	(4,558,056.07)	0.00	1.71%	0.00			2.15%	-	-	
TRANSMISSION			17,635,395	(17,635,395)					413,149		(413,149)		
360	360	Land	219,428.48	0.00	219,428.48	0.00%	0.00				-	-	
361	361	Structures	693,149.08	0.00	693,149.08	1.56%	10,813.13			2.08%	14,417.50	(3,604.38)	
362	362	Station Equip.	4,696,247.25	0.00	4,696,247.25	2.19%	102,847.81			1.89%	88,759.07	14,088.74	
364	364	Poles & Fixtures	18,779,538.40	0.00	18,779,538.40	4.00%	751,181.54			4.35%	816,909.92	(65,728.38)	
365	365	OH Conductor	13,624,784.41	0.00	13,624,784.41	3.39%	461,880.19			3.77%	513,654.37	(51,774.18)	
366	366	UG Conduit	659,589.83	0.00	659,589.83	2.62%	17,281.25			3.92%	25,855.92	(8,574.67)	
367	367	UG Conductor	802,116.78	0.00	802,116.78	2.58%	20,694.61			3.59%	28,795.99	(8,101.38)	
368	368	Transformers	5,576,567.54	0.00	5,576,567.54	2.08%	115,992.60			2.78%	155,028.58	(39,035.97)	
369	369	Services	4,572,969.36	0.00	4,572,969.36	4.44%	203,039.84			5.00%	228,648.47	(25,608.63)	
370	370	Meters	1,401,538.35	0.00	1,401,538.35	2.37%	33,216.46			2.27%	31,814.92	1,401.54	
371	371	Private Lights	1,553,945.75	0.00	1,553,945.75	4.43%	68,839.80			5.80%	90,128.85	(21,289.06)	
373	373	Street Lights	990,744.30	0.00	990,744.30	3.49%	34,576.98			3.13%	31,010.30	3,566.68	
375	375	Charging Stations	0.00	0.00	0.00	5.00%	0.00				-	-	
DISTRIBUTION			53,570,620		53,570,620		1,820,364		1,858,526		(38,162)	(204,660)	
399	399	Land	53,053.89	(5,833.90)	47,219.99	0.00%	0.00				-	-	
390	390	Structure	597,512.10	(65,703.51)	531,808.59	2.75%	14,624.74			2.75%	14,624.74	-	
391	391	Furniture	315,130.39	(34,652.31)	280,478.08	4.76%	13,350.76			5.00%	14,023.90	(673.15)	

Description	FERC CODE	FERC DESCR	Test Year Ending June 30, 2018 Plant Balance (1)	TDC Adjustment (1)	Adjusted Test Year Ending June 30 Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment	Existing Depreciation Rates	Total Current Depreciation Expense	Depreciation Expense Attributable to Change In Rates
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)	(k)	(l) = (f) * (k)	(m) = (h) - (l)
391C	391	Computer Equip.	758,663.99	(83,424.06)	675,239.93	10.00%	67,523.99			10.00%	67,523.99	-
392	392	Transport. Equip. (1)	732,166.21	(80,510.32)	651,655.89	7.15%	46,593.40			7.08%	46,137.24	456.16
393	393	Stores Equip.	43,387.72	(4,770.99)	38,616.73	2.50%	965.42			3.17%	1,224.15	(258.73)
394	394	Tools	355,924.12	(39,138.06)	316,786.06	5.00%	15,839.30			4.50%	14,255.37	1,583.93
395	395	Lab Equipment	100,028.73	(10,999.34)	89,029.39	2.17%	1,931.94			2.63%	2,341.47	(409.54)
396	396	Power Op. Equip. (1)	920,487.79	(101,218.50)	819,269.29	5.65%	46,288.71			6.33%	51,859.75	(5,571.03)
397	397	Communication	597,267.73	(65,676.64)	531,591.09	4.76%	25,303.74			4.00%	21,263.64	4,040.09
398	398	Misc. Equipment	13,903.45	(1,528.85)	12,374.60	3.13%	387.32			4.55%	563.04	(175.72)
GENERAL			<u>4,487,526</u>	<u>(493,456)</u>	<u>3,994,070</u>		<u>232,809</u>	<u>152,963</u>	<u>79,846</u>		<u>233,817</u>	<u>(1,008)</u>
TOTAL ELECTRIC UTILITY DEPRECIATION EXPENSE			<u>\$ 139,166,671</u>	<u>\$ (18,128,852)</u>	<u>\$ 121,037,820</u>		<u>\$ 3,949,538</u>	<u>\$ 3,699,247</u>	<u>\$ 250,291.02</u>		<u>\$ 3,534,955</u>	<u>\$ 414,582</u>
			F				F					

(1) Balances from Section 4: Plant



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

CURB Data Request – 106

Page 1 of 1

Data Request Received: 01/31/19

Date of Response: 02/05/19

Request No. 106

Respondent: Leslie Forest

REQUEST:

Reference page 7 of Mr. Mertens' Direct Testimony, lines 9-15.

- a. Please provide a breakdown of the \$2.4 million currently recovered in riders, by individual rider (i.e., AERR and AVTS).
- b. Please reconcile the "net new increase in base rates" figure of \$0.8 million shown on line 15, with the base rate revenue deficiency of \$1,689,900 shown in Section 3, WP-3 Revenue Requirement, page 1 of 1, line 13.

RESPONSE:

- a. Please refer to WP ADJ 23-26 Revenue Adjustment.xlsx provided on the flash drive delivered to Staff Attorney David Nickel on December 12, 2018. The tab labeled Electric by State - Column O and P provide detail for AERR Rider. Column Q provides the detail for the ATVS.
- b. Please see attached file: 19-EPDE-223-RTS CURB DR 106 Revenue Requirement Reconciliation.xlsx.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/Leslie Forest

Date: February 5, 2019

The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

CURB Data Request 106

Kansas Increase reconciliation:

	Base Rates	EPDE	Other
Revenue Requirement Per WP-3	1,689,900	3,166,367	4,856,267
Estimated Transmission Revenue included in base rates	1,492,510	(1,492,510)	-
Adjusted Revenue Requirement:	3,182,410	1,673,857	4,856,267
AERR Rider being collected through Rider:	(1,794,980)	-	(1,794,980)
Ad Valorem Rider being collected through Rider:	(555,293)	-	(555,293)
Net Incremental New Increase:	<u>832,137</u>	<u>1,673,857</u>	<u>2,505,994</u>



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

CURB Data Request – 110

Page 1 of 1

Data Request Received: 01/11/19

Date of Response: 02/15/19

Request No. 110

Respondent: Leslie Forest

REQUEST:

Please update the workpaper to Adjustment No. 5, page 14, "CWIP Project Details" to reflect the actual in-service date for each project shown in this workpaper.

RESPONSE:

Please see attachment CURB DR 110 CWIP Detail.xlsx, specifically refer to Column (e) for the "Actual In-Service" date for each project.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Leslie Forest

Date: February 15, 2019

Project	Project Description	Status	Location	Actual In Service	Completion Date	Estimated In Service Date	Estimated Completion Date	Company	FERC	Utility Account	CWIP Amount
1004530	Construction Design Automation	open	Joplin Corporate Office			12/31/2018	1/1/2019	Empire District Electric	303	Misc. Intangible Plant	32,332.60
1001003	Install Landfill Cell	open	Asbury Common			10/21/2020	10/1/2018	Empire District Electric	312	Boiler Plant Equipment	1,429,927.81
1004595	CEM Instrument Air Line Additl	open	Iatan Common	8/31/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	7,889.16
1004544	ENGR STUDY CrusherHse Elevator	open	Iatan Common			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	7,284.21
1004627	SCR Layer 2 Removal	open	Iatan Unit 1			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	6,523.04
1004546	Repl 1D Recycle Pump Gearbox	open	Iatan Unit 1			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	365.94
1004549	Repl 1E Absorber Recycle Pump	open	Iatan Unit 1	2/27/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	4,851.01
1004584	Repl 1E Absorber Recycle Pump	open	Iatan Unit 1	2/27/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	919.23
1004554	Repl Cool Twr Regulator-14" LC	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	1,242.09
1004583	Reman 2D Absorber Recycle Pump	open	Iatan Unit 2	3/31/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	1,204.99
1004610	Boiler Roof Casing Repl	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	19,130.75
1004611	Repl Turb Drain Inlet Piping H	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	2,942.17
1004612	Rpl Blr Electromatic Relief Va	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	49.72
1004613	Repl Econmz Drn Valve 2FW01-V-	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	749.69
1004614	Repl SA & OFA Burner Nozzles	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	28,748.83
1004615	2B Circ Wtr Pump Reman-Repl	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	1,697.87
1004616	Repl Mist Eliminator Tray	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	9,543.12
1004617	2E Pulverizer Major Overhaul	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	8,923.78
1004618	SFC Flight Replacement	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	675.77
1004619	Reman Econ Min Flow Valve FCV-	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	315.97
1004620	Dry Flight Conveyor Overhaul	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	5,244.64
1004621	Reman Pulv Steam Inerting Repl	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	523.85
1004622	Ash Condmr Batching Valve	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	356.35
1004623	Repl Aux CircWtr Strainer ISO	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	235.19
1004624	Reman Econmzr Bypass Control	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	399.83
1004625	Mist Eliminator Piping Replace	open	Iatan Unit 2			7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	8,345.21
1004626	Reman 2C Plant Air Compressor	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	801.59
1004628	Reman 2A Aux Boiler Circ Water	open	Iatan Unit 2	6/30/2018		7/31/2018	7/31/2018	Empire District Electric	312	Boiler Plant Equipment	240.83
4002160	Asbury Bottom Ash Conversion	open	Asbury Unit 1			10/21/2020	12/31/2018	Empire District Electric	312	Boiler Plant Equipment	252,601.49
4003364	Ins Reversing Starter on Head Gate	completed	Ozark Beach Common	7/16/2018	7/16/2018	7/16/2018	7/30/2018	Empire District Electric	333	Water Wheels, Turbines & Gen	4,429.13
4003355	Ins throw over switch for dies	completed	Ozark Beach Common	7/16/2018	7/16/2018	7/16/2018	7/30/2018	Empire District Electric	334	Accessory Electric Equipment	17,248.41
4002833	Riverton Dam Upgrades	open	Lowell dam - Riverton	10/31/2018		9/30/2018	9/30/2018	Empire District Electric	341	Structures and Improvements	95,800.36
4003341	Ins Fire Protect Sys In Wareho	open	Energy Center Common			3/31/2019	8/31/2018	Empire District Electric	341	Structures and Improvements	17,310.96
4003649	Install handralling	open	Energy Center Common	9/5/2018		8/1/2018	8/1/2018	Empire District Electric	341	Structures and Improvements	5,243.74
4003453	StateLine CC warehouse lightin	open	State Line Combined Cycle	10/24/2018		9/1/2018	9/30/2018	Empire District Electric	341	Structures and Improvements	9,755.06
4003755	1/R EC3A fuel oil flowmeter	open	Energy Center Unit 3	11/1/2018		9/16/2018	9/16/2018	Empire District Electric	342	Fuel Holder, Producers & Acc	2,480.40
4003262	I and R Unit 1 Electrical Pkg	open	State Line Unit 1	7/4/2018		8/31/2018	8/31/2018	Empire District Electric	343	Prime Movers	3,911,377.23
4003309	StateLine Unit 1 Rebuild	open	State Line Unit 1	8/31/2018		11/2/2018	12/1/2018	Empire District Electric	343	Prime Movers	16,383.25
4003447	Unit 1 overspeed trip upgrade	completed	State Line Unit 1	7/11/2018	7/25/2018	7/25/2018	7/15/2018	Empire District Electric	343	Prime Movers	129,898.70
4003308	HRSG wind break skirting	open	Riverton CC 12-2	10/31/2018		12/31/2018	12/31/2018	Empire District Electric	343	Prime Movers	4,056.33
4003435	SLCC Combustible and toxic gas	open	State Line Combined Cycle	11/20/2018		8/31/2018	8/31/2018	Empire District Electric	343	Prime Movers	127,983.76
4003547	Valve Platform Addition	completed	Riverton Common	7/20/2018	7/20/2018	7/20/2018	7/20/2018	Empire District Electric	343	Prime Movers	25,431.77
4003760	I&R 4A Blades and Vanes	completed	Energy Center Unit 4	7/10/2018	7/9/2018	7/9/2018	7/20/2018	Empire District Electric	343	Prime Movers	746,928.99
4003663	Unit one CEMS upgrade	in service	State Line Unit 1	7/5/2018		8/3/2018	8/3/2018	Empire District Electric	344	Generators	21,253.87
4001283	I and R Freeze panel protectio	open	State Line Combined Cycle			3/31/2019	12/31/2018	Empire District Electric	345	Accessory Electric Equipment	98,068.18
4003342	Unit 10 & 11 Battery Upgrade	completed	Riverton Unit 10	7/25/2018	7/25/2018	7/25/2018	8/31/2018	Empire District Electric	345	Accessory Electric Equipment	102,569.57
4003348	Vibration monitoring equipment	open	State Line Common			3/31/2019	8/31/2018	Empire District Electric	345	Accessory Electric Equipment	41,689.36
4003659	Unit 12-1 Battery Enclosure up	open	Riverton Unit 12	10/31/2018		10/31/2018	10/31/2018	Empire District Electric	345	Accessory Electric Equipment	3,473.27
4003602	Purchase New Boat and Boat Mot	open	Riverton Common	8/31/2018		8/15/2018	8/15/2018	Empire District Electric	346	Misc Power Plant Equipment	13,878.00
4002797	I&R Non-Priority Dist Ckt 4251	open	Mass Property KS			12/31/2018	12/31/2018	Empire District Electric	364	Poles and Fixtures	3,169.58
4003151	I&R Non-Priority Dist Ckt 2821	open	Mass Property KS			10/31/2018	12/31/2018	Empire District Electric	364	Poles and Fixtures	20,174.65
4003582	I&R Non-Priority Dist Pole Ckt	open	Mass Property KS			8/8/2018	8/8/2018	Empire District Electric	364	Poles and Fixtures	584.28
4003681	CIRCUIT 660-1 RECLOSER INSTALL	open	Mass Property KS	10/19/2018		12/31/2018	12/31/2018	Empire District Electric	364	Poles and Fixtures	959.11
4002797	I&R Non-Priority Dist Ckt 4251	open	Mass Property KS			12/31/2018	12/31/2018	Empire District Electric	365	Ovrhd Conductors and Devices	721.04
4003681	CIRCUIT 660-1 RECLOSER INSTALL	open	Mass Property KS	10/19/2018		12/31/2018	12/31/2018	Empire District Electric	365	Ovrhd Conductors and Devices	12,844.55
1004559	Ozark Pay Station Build	completed	Ozark Call Center	7/27/2018	7/27/2018	7/15/2018	7/15/2018	Empire District Electric	390	Structures and Improvements	18,455.56
1004562	Neosho Service Center Addition	open	Neosho	1/14/2019		10/15/2018	12/1/2018	Empire District Electric	390	Structures and Improvements	157,214.84
4003260	INSTALL FENCING REPUBLIC S.C.	open	Mass Property MO			11/18/2018	12/15/2018	Empire District Electric	390	Structures and Improvements	554.19
1004559	Ozark Pay Station Build	completed	Ozark Call Center	7/27/2018	7/27/2018	7/15/2018	7/15/2018	Empire District Electric	391.1	Office Furniture & Equip.	43,063.02
1004562	Neosho Service Center Addition	open	Neosho	1/14/2019		10/15/2018	12/1/2018	Empire District Electric	391.1	Office Furniture & Equip.	82,025.13
1004648	Purchase Laptop for Engineerin	completed	Joplin Commercial Operations (Kodiak)	7/20/2018	7/20/2018	7/20/2018	7/30/2018	Empire District Electric	391.1	Office Furniture & Equip.	12.14
1004513	Infrastructure team PC refresh	open	Joplin Corporate Office	8/31/2018		8/31/2018	8/31/2018	Empire District Electric	391.3	Computer	30,819.06
1004647	New Hire Laptop - Thomas Adamso	completed	Joplin Corporate Office	7/20/2018	7/20/2018	7/20/2018	7/30/2018	Empire District Electric	391.3	Computer	2,269.47
4003643	MISC STORES EQUIPMENT KODIAK	completed	Joplin Commercial Operations (Kodiak)	7/30/2018	7/30/2018	7/30/2018	7/30/2018	Empire District Electric	393	Stores Equip.	1,564.63
4003737	Warehouse Equipment - Parts Scales	completed	Joplin Commercial Operations (Kodiak)	7/31/2018	7/31/2018	7/31/2018	7/31/2018	Empire District Electric	393	Stores Equip.	3,508.74
1004491	Purchase and Install Safety Eq	open	Joplin Commercial Operations (Kodiak)	3/18/2018		12/31/2018	12/31/2018	Empire District Electric	394	Tools, Shop & Garage Equip.	5,022.98
4003573	P&I Intrepid Radio Bollvar	open	Bollvar	9/21/2018		9/28/2018	9/28/2018	Empire District Electric	397	Communication Equip.	2,311.37
	Total										7,614,601.20

Source of Utility Accounts by Project: PP Report Project-80014
 Per Leslie Forest: This report captures CWIP projects which are expected to be used and useful by 1/31/2019 (excluding Transmission Projects)



The Empire District Electric Company
A Liberty Utilities Company
Docket No. 19-EPDE-223-RTS
CURB Data Request – 114
Page 1 of 1

Data Request Received: 01/11/19
Request No. 114

Date of Response: 02/15/19
Respondent: Leslie Forest

REQUEST:

For each of the merit increases shown in the workpaper to Adjustment No. 16, please provide the date(s) when the increase occurred.

RESPONSE:

Adjustment No. 16 includes merit increases for both union and non-union employees. Merit increases for non-union employees will be effective February 18, 2019. The collective bargaining agreement for union employees includes a wage increase effective November 1st of each year.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Leslie Forest

Date: February 15, 2019



Liberty Utilities
EMPIRE DISTRICT

The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

CURB Data Request – 115

Page 1 of 1

Data Request Received: 01/11/19

Request No. 115

Date of Response: 02/19/19

Respondent: Jessica Carabetta

REQUEST:

Please provide the average merit increases granted to direct employees, Central Region employees, and LABS employees in each of the past three years, as well as the date(s) when such increases were granted.

RESPONSE:

Please refer to attachment – [KS 19-EPDE-223-RTS CURB DR 115.xlsx](#)

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/Jessica Carabetta

Date: February 19, 2019

Average merit increases:

	Effective Date	District	# of EEs	Average increase
2017 merit	2/6/2017	Empire Electric/Gas/LABS	333	3.08%
	2/19/2017	Central Region	15	4.32%
	4/17/2017	Empire Electric	1	10.03%
	5/1/2017	Empire Electric	27	7.28%
	6/11/2017	Central Region	1	7.79%
2018 merit	2/18/2018	Central Region	20	4.32%
	2/19/2018	Empire Electric/Gas/LABS	334	3.18%
2019 merit	2/17/2019	Central Region	21	3.54%
	2/18/2019	Empire Electric/Gas/LABS	336	3.08%



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

CURB Data Request – 118

Page 1 of 1

Data Request Received: 01/11/19
Request No. 118

Date of Response: 02/25/2019
Respondent: Jessica Carabetta

REQUEST:

For each non-executive incentive compensation plan, please provide a) the written description provided to participants in 2018 and 2019, b) the targets or benchmarks used in 2018 and 2019 to make awards, and c) the amount of the awards included in the Company's claim in this case (separately by expense and capital, if applicable).

RESPONSE:

Please refer to the following attachments:

- (a) Refer to documents provided in CURB DR 117
- (b) Refer to documents provided in CURB DR 117
- (c) "DR 118 STIP Expenses Included in Test Year.xlsx"

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Jessica Carabetta

Date: 02/26/2019

The Empire District Electric Company
-A Liberty Utilities Company
 Docket No. 19-EPDE-223-RTS
 CURB Data Request Response 118

Non-Executive Incentive Compensation	Central Region			CAM	Total Company (Empire)	Kansas	Kansas
	District	Plan Type	SUM of STIP 2017 Bonus, paid in 2018	Total Company STIP Paid in 2018	Allocator	Allocation	Allocator
Legacy Empire	STIP	680,762	680,762	100.00%	680,762	4.24%	28,858
Liberty-Central Region	STIP	601,835	601,835	83.94%	505,180	4.24%	21,415
Legacy Empire - LABS	STIP	178,459	178,459	84.31%	150,458	4.24%	6,378
Liberty LABS	STIP	186,551	186,551	84.31%	157,280	4.24%	6,667
Total:		1,647,607	1,647,607		1,493,680	4.24%	63,319

*(STIP = target, Empire = estimated based on payout as a % of salary)



Liberty Utilities
EMPIRE DISTRICT

The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

CURB Data Request – 126

Page 1 of 1

Data Request Received: 04/18/19

Date of Response: 04/23/19

Request No. 126

Respondent: Leslie Forest

REQUEST:

Regarding Project 4003761 in the amount of \$888,716.65, identified in the response to KCC-23, please identify the Kansas jurisdictional amount of this project that is included in the Company's revenue requirement claim in this case, and identify the account number(s) in which these costs can be found.

RESPONSE:

Energy Center Unit 4 project 4003761 identified in the response to KCC-23 is reported in the expense account 553231. This is also reported in column E of the response to KCC-23. The Kansas allocation percentage for the expense account 553231 is 4.732 percent. Of the \$144,640 included in the Kansas cost of service reported in account 553231, \$42,054 is the Kansas portion of project 4003761.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Leslie Forest

Date: April 23, 2019



The Empire District Electric Company
A Liberty Utilities Company
Docket No. 19-EPDE-223-RTS
CURB Data Request – 127
Page 1 of 1

Data Request Received: 04/18/19
Request No. 127

Date of Response: 04/23/19
Respondent: Leslie Forest

REQUEST:

Regarding the write-off of Project 1001038 identified in the response to KCC-39, please identify the Kansas jurisdictional amount of this write-off that is included in the Company's revenue requirement claim in this case, and identify the account number(s) in which these costs can be found.

RESPONSE:

Write-Off Project 1001038 - Maximo Bundle identified in response to KCC-39 is reported in the expense account 588100. This is also reported in Column B of the response to KCC-39. The Kansas allocation percentage for the expense account 588100 is 5.50 percent. Of the \$17,220 included in the Kansas cost of service reported in account 588100, \$13,061 is the Kansas portion of Project 1001038. In addition, please refer to the Company's response to KCC DR 223 which provides further details on this project.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Leslie Forest

Date: April 23, 2019



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 23

Page 1 of 1

Data Request Received: 12/07/18
Request No. 23

Date of Response: 12/07/18
Respondent: Christi Botts

Section: Accounting

Summary: Special Projects

REQUEST:

1. Please provide a listing of all special projects (both internal and external) that involved the company for the last three years, including the test year.
2. For each project listed, please provide a detailed description of each, the amount of expense recorded by year including the test year, and the related account the expense was recorded to.

RESPONSE:

Please see [DR 23 – Special Projects charged to expense.xlsx](#)

In respect to the 4003761 project number these costs occurred as a result of a failure at the Company's Energy Center Unit 4 plant in June 2018. While the unit was down for repairs the Company opted to perform routine maintenance on the unit. The costs associated with the routine maintenance have included in FERC account 553231 which have been included in our cost of service during the test year.

The Empire District Electric Company
A Liberty Utilities Company
Special Projects Charged to Expense January 1, 2016 through June 30, 2018

Docket No. 19-EPDE-223-RTS
Staff Data Request – 23

Sum of Amount	Column Labels		
Row Labels	2016	2017	2018 Grand Total
O&M repairs on 4A			888,716.65 888,716.65
Maint Of Gen & Elect Eq-Other			888,716.65 888,716.65
Purchase and Implement AUD Sof	393,956.97		393,956.97
Afudc - Credit (Debt)	12,380.58		12,380.58
Afudc - Other (Equity)	22,659.70		22,659.70
Miscellaneous Distribution	356,557.65		356,557.65
Prov-Fed Unemp Compens Tax-E	20.93		20.93
Prov-Foab Taxes-Electric	2,348.49		2,348.49
Prov-St Unemp Compens Tax-El	(10.38)		(10.38)
Safe Start - Electric	153,471.83	3,929.48	157,401.31
Mgmt & Admin - Exp - Field Saf	118,659.67	3,929.48	122,589.15
Mgmt & Admin - Field Safety Ad	34,812.16		34,812.16
Safe Start - Electric - Labor	18,327.70	6,316.85	24,644.55
Mgmt & Admin - Exp - Field Saf		26.28	26.28
Mgmt & Admin - Field Safety Ad	18,301.42	6,316.85	24,618.27
Grand Total	393,956.97	171,799.53	898,962.98 1,464,719.48

The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS
Staff Data Request – 23

Special Projects Charged to Expense Twelve Months Ended June 30, 2018

BU	Project	Project Description	Budget	Account	Account Description	Period	Year	Amount
GL001	4003761	O&M repairs on 4A	PE0014	553231	Maint Of Gen & Elect Eq-Other	201806	2018	888,716.65
		O&M repairs on 4A Total						888,716.65
GL001	1003025	Safe Start - Electric	M00000	920301	Mgmt & Admin - Field Safety Ad	201707	2017	6,450.82
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201707	2017	12,788.21
GL001	1003025	Safe Start - Electric	M00000	920301	Mgmt & Admin - Field Safety Ad	201708	2017	15,010.19
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201708	2017	15,905.23
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201709	2017	781.47
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201710	2017	886.86
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201711	2017	593.56
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201712	2017	29.17
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201801	2018	276.30
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201802	2018	405.03
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201803	2018	220.84
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201804	2018	309.27
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201805	2018	2,411.32
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	201806	2018	306.72
		Safe Start - Electric Total						56,374.99
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201708	2017	10,814.67
GL001	1003110	Safe Start - Electric - Labor	M00000	921301	Mgmt & Admin - Exp - Field Saf	201708	2017	26.28
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201709	2017	91.10
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201710	2017	6,851.81
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201711	2017	175.34
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201712	2017	368.50
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201801	2018	998.51
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201802	2018	1,051.63
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201803	2018	1,006.12
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201804	2018	1,712.12
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201805	2018	955.53
GL001	1003110	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety Ad	201806	2018	592.94
		Safe Start - Electric - Labor Total						24,644.55
		Grand Total						969,736.19

The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS
Staff Data Request – 23

Special Projects Charged to Expense January 1, 2016 through June 30, 2018

BU	Project	Project Description	Budget	Account	Account Description	Period	Year	Amount
GL001	100047C	Purchase and Implement AUD Sof	CS0015	408141	Prov-Foab Taxes-Electric	2E+05	2016	2,348.49
GL001	100047C	Purchase and Implement AUD Sof	CS0015	408511	Prov-Fed Unemp Compens Tax	2E+05	2016	20.93
GL001	100047C	Purchase and Implement AUD Sof	CS0015	408512	Prov-St Unemp Compens Tax-E	2E+05	2016	(10.38)
GL001	100047C	Purchase and Implement AUD Sof	CS0015	419100	Afudc - Other (Equity)	2E+05	2016	22,659.70
GL001	100047C	Purchase and Implement AUD Sof	CS0015	432000	Afudc - Credit (Debt)	2E+05	2016	12,380.58
GL001	100047C	Purchase and Implement AUD Sof	CS0015	588100	Miscellaneous Distribution	2E+05	2016	356,557.65
GL001	1003025	Safe Start - Electric	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	10,029.61
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	9,339.51
GL001	1003025	Safe Start - Electric	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	3,321.54
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	78,335.66
GL001	1003025	Safe Start - Electric	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	6,450.82
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	12,788.21
GL001	1003025	Safe Start - Electric	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	15,010.19
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	15,905.23
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	10,814.67
GL001	100311C	Safe Start - Electric - Labor	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	26.28
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	781.47
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	91.10
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	886.86
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	6,851.81
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	593.56
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	175.34
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2017	29.17
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2017	368.50
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2018	276.30
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2018	998.51
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2018	405.03
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2018	1,051.63
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2018	220.84
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2018	1,006.12
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2018	309.27
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2018	1,712.12
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2018	2,411.32
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2018	955.53
GL001	1003025	Safe Start - Electric	M00000	921301	Mgmt & Admin - Exp - Field Saf	2E+05	2018	306.72
GL001	100311C	Safe Start - Electric - Labor	M00000	920301	Mgmt & Admin - Field Safety A	2E+05	2018	592.94
GL001	4003761	O&M repairs on 4A	PE0014	553231	Maint Of Gen & Elect Eq-Other	2E+05	2018	888,716.65
								1,464,719.48



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 113

Page 1 of 2

Data Request Received: 01/25/18

Date of Response: 1/28/19

Request No. 113

Respondent: Leslie Forest

Submitted by: Bill Baldry

RE: Gross Revenue Conversion Factor

REQUEST:

In Section 3 of the Application, there is a file called "Section 3 Revenue Requirement Model". In the file there is a worksheet called "WP - 3 GRCF". In the Factor column, the State Income Tax factor is a hard coded rate of 6.31%.

1. Please provide support as to how the 6.31% rate was calculated.
2. Please explain why the 6.31% rate differs from the state income tax percentage in the Rate column which is 7%.
3. Please explain why the use of the 6.31% rate is more appropriate than using 7% as the Kansas state income tax rate.

RESPONSE:

1. The support for the calculation of the 6.31% effective state tax rate is included in the Section 11 workpaper on the "Composite Income Tax Rate" tab, and attached to the Company's response to DR 113 for convenience, [DR 113 Composite Income Tax Rate.xlsx](#).
2. The 6.31% rate reflects the calculated effective tax rate for Kansas based on a 50% state deduction of federal taxes. On the attached workpaper Column (g) includes a 50% deduction for federal taxes.
3. In some of Empire's operating jurisdictions, an allowance of 50% of federal taxes is allowed to calculate the effective state tax rate. However, because Kansas does not allow for a deduction of federal taxes within their state income tax calculation the 7% statutory rate is more appropriate than utilizing the 6.31%.

Verification of Response

		Federal					State					Combined
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k) = (e) + (j)
		<u>PreTax</u>	<u>State</u>	<u>PreTax less State</u>	<u>Statutory Rate</u>	<u>Effective Rate</u>	<u>PreTax</u>	<u>Federal*</u>	<u>PreTax less Fed</u>	<u>Statutory Rate</u>	<u>Effective Rate</u>	<u>Effective Rate</u>
Iteration	1	100.0000%	7.0000%	93.0000%	21.0000%	19.5300%	100.0000%	9.7650%	90.2350%	7.0000%	6.3165%	25.8465%
Iteration	2	100.0000%	6.3165%	93.6836%	21.0000%	19.6735%	100.0000%	9.8368%	90.1632%	7.0000%	6.3114%	25.9850%
Iteration	3	100.0000%	6.3114%	93.6886%	21.0000%	19.6746%	100.0000%	9.8373%	90.1627%	7.0000%	6.3114%	25.9860%
Iteration	4	100.0000%	6.3114%	93.6886%	21.0000%	19.6746%	100.0000%	9.8373%	90.1627%	7.0000%	6.3114%	25.9860%
Iteration	5	100.0000%	6.3114%	93.6886%	21.0000%	19.6746%	100.0000%	9.8373%	90.1627%	7.0000%	6.3114%	25.9860%

* State allows deduction of 50% of Federal



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 126

Page 1 of 2

Data Request Received: 01/25/18

Date of Response: 1/28/19

Request No. 126

Respondent: Leslie Forest

Submitted by: Bill Baldry

REQUEST:

Please refer to the attached Excel work paper labeled "DR No. 44 AP Vendor 6-30-18 (ANJ)".

1. For each expense listed, please verify if the expense is included or excluded from the test year.
2. If the expense is included, please provide the following:
 - a. Identify where it is included in the revenue requirement
 - b. A detailed description of the expense
 - c. An explanation of how the expense benefits ratepayers.

RESPONSE:

1. Please see column V of attached file KS 19-EPDE-223-RTS DR 126 Attachment – DR 44 AP Vendor 6-30-18 (ANJ).xlsx for expenses included /excluded in the test year.
2.
 - a. Please see column W of attached file KS 19-EPDE-223-RTS DR 126 Attachment – DR 44 AP Vendor 6-30-18 (ANJ).xlsx for the area the expense is included in the revenue requirement.
 - b. Please see column X of attached file KS 19-EPDE-223-RTS DR 126 Attachment – DR 44 AP Vendor 6-30-18 (ANJ).xlsx for a detailed description of the expense.
 - c. Please see column Y of attached file KS 19-EPDE-223-RTS DR 126 Attachment – DR 44 AP Vendor 6-30-18 (ANJ).xlsx for an explanation of how the expenses benefit our customers.



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 126

Page 2 of 2

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/Leslie Forest

Date: January 28, 2019



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 247

Page of 1

Data Request Received: 03/06/19

Request No. 247

Date of Response: 03/15/2019

Respondent: Charlotte Emery

Submitted by: Bill Baldry

RE: Tax Change Rider - Jill Schwartz Supplemental Testimony

REQUEST:

The Tax Change Rider was attached to Jill Schwartz's supplemental testimony as Exhibit JMS - 2.

1. a. Would only the excess deferred income taxes accrued from January 1, 2018, until the new rates would go into effect in Docket No. 19-EPDE-223-RTS go into the Tax Change Rider?
- b. If no, what deferred income taxes does Empire propose go into the Tax Change Rider?

RESPONSE:

- a) It is the Company's proposal that the difference between the actual yearly amortization of excess ADIT and the estimated amortization included in base retail rates go through the Tax Change Rider. The Company estimated and proposed an annual amortization of protected and unprotected excess ADIT in the amount of \$212,800 be incorporated into base retail rates. Furthermore, the Tax Change Rider's true-up mechanism would reflect updates such as differences in actual billing determinants versus estimated billing determinants, credit impacts after finalizing corporate tax returns, and/or audit adjustments.
- b) See response (a) above.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Charlotte Emery

Date: 03/15/2019



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 272

Page of 1

Data Request Received: 03/13/19
Request No. 272

Date of Response: 3/29/19
Respondent: Steve Williams

Submitted by: Bill Baldry

RE: Adjust No. 20 - Excess Accumu Defer Inc Taxes

REQUEST:

1. Please provide the excess accumulated deferred income tax balances as of January 31, 2019 in the same format as shown in Adjustment No. 20.
2. Please provide a full listing of ADIT balances, including excess ADIT balances, as of January 31, 2019.
3. Please provide general ledger detail for accounts 190, 282, and 283 as of January 31, 2019.

RESPONSE:

1. Please see the EDIT computation at "DR 272 - Updated ADJ 20 Excess ADIT Calculation as of 1-31-19.xlsx".
2. Please see our response to DR 256 for ADIT balances as of January 31, 2019 and the computation referenced in (1) also provides for a listing of EDIT balances as of that date.
3. Refer to the Company's response to KCC DR 256 which provides a detail of the general ledger balances for accounts 190, 282 and 283.

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Steve Williams

Date: 03/29/2019

Line No.	Description	Account	ADIT included in Ratebase at 12/31/2017(1)	Depreciation Related ADIT	Recommended Amortization Period	WP Reference	Protected	Unprotected	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	Acc Df Tx-Ozark Beach Loss Gen	190112	(5,039,824)	Yes	ARAM				
2	Def ITC Cr-Adv Coal	190113	6,944,108	Yes	ARAM				
3	Def Tax Asset - Reg Plan Amort	190114	7,617,179	Yes	ARAM				
4	Def Fd Inc Tx-Acr Rate Ref-Ark	190122	3,509	Yes	ARAM				
5	Def Inc Tax - Hedge Trans Gain	190123	1,024,078	No	10 Year Amortization				
6	Def Fd Tax Asset - Misc	190124	(7,013,111)	No	10 Year Amortization				
7	FAS123 Deferred Tax Asset	190125	1,009,173	No	10 Year Amortization				
8	Def Inc Tx - Disallow Plant	190211	1,480,230	Yes	ARAM				
9	Def Tx Net Operating Loss	190230	19,327,943	No	10 Year Amortization				
10	Def Fd Inc Tx-Of & Dir Def Com	190260	(2,341,597)	No	10 Year Amortization				
11	Def Fd Inc Tx-Contrb-Aid Const	190310	10,111,743	Yes	ARAM				
12	Def Inc Tx-Def Tx Asset Fas109	190320	11,119,984	No	10 Year Amortization				
13	Def Inc Tx-Pbop Costs	190330	524,875	No	10 Year Amortization				
14	Def Inc Tx-Postret Ben-Pension	190331	(7,181,836)	No	10 Year Amortization				
15	Accm Def Inc Tx-Int Capitalized	190340	16,903,067	Yes	ARAM				
16	Accm Def Inc Tx - Alt Minmn Tax	190350	1,083,423	No	10 Year Amortization				
17	Deferred Tax - FAS 158	190356	22,067,764	No	10 Year Amortization				
18	SWPA Oz Beach Def Tx -AR	190410	233,234	No	10 Year Amortization				
19	SWPA Oz Beach Def Tx - KS	190420	187,293	No	10 Year Amortization				
20	SWPA Oz Beach Def Tx -MO	190430	2,278,768	No	10 Year Amortization				
21	SWPA Oz Beach Def Tx -OK	190440	103,140	No	10 Year Amortization				
22	SWPA Oz Beach Def Tx -FERC	190450	636,451	No	10 Year Amortization				
23	Current Deferred Tax Asset	190999	-	No	10 Year Amortization				
24	Accum Def Fed Inc Tx-Ld Elect	282100	(431,059,058)	Yes	ARAM				
25	Accum Def Fed Inc Tx-Ld Ks Jur	282120	(621,252)	Yes	ARAM				
26	Acc Def Fed Inc Tx-LD NonUt DR	282130	57,645	Yes	ARAM				
27	Acc Def Fed Inc Tx-LD NonUT CR	282135	46,169	Yes	ARAM				
28	Accum Def Fed Inc Tx-Ld Ok Jur	282140	(141,957)	Yes	ARAM				
29	Accm Def Fed Inc Tx-Ld Ferc Jr	282150	(325,913)	Yes	ARAM				
30	Accumul Def Inc Tx-Ld Water	282200	(1,775,798)	Yes	ARAM				
31	Accm Def Fed Inc Tx-2Nd 5Yr Mn	283100	(45,308)	No	10 Year Amortization				
32	Acc Def Tax-Repair Allowance	283103	(3,898,053)	Yes	ARAM				
33	Def Tax Liab-latan Def Charges	283116	(5,813,325)	No	10 Year Amortization				
34	Def Inc Tax - Hedge Trans Loss	283123	(2,203,694)	No	10 Year Amortization				
35	Deferred Tax Liab Fuel Costs	283139	(4,595,939)	No	10 Year Amortization				
36	Def Tx-ITC Tx Basis Red-latan	283366	(9,310,443)	Yes	ARAM				
37	Accm Def Fed Inc Tx-Lic Softwr	283400	(3,257,424)	No	10 Year Amortization				
38	Acc Def Tx-Loss Reacq Debt	283900	(2,938,981)	No	10 Year Amortization				
39	Def Inc Tax - FAS158	283914	(22,067,764)	No	10 Year Amortization				
40	Def Inc Tax-Deftx Liab Fas 109	283915	(13,333,421)	No	10 Year Amortization				
41	Def Tx Liab-Equity AFUDC	283917	(24,196,411)	Yes	ARAM				
42	Def Inc Tx Ice Storm Exp	283921	(134,042)	No	10 Year Amortization				
43	Current Deferred Tax Liability	283999	-	No	10 Year Amortization				
43	Total Accumulated Deferred Income Taxes:		<u>(444,535,374)</u>			100	(433,205,057)	(11,330,317)	(444,535,374)
44	Current Composite Tax Rate:		<u>38.0875%</u>						
45	Line 42 / Line 43								
46	Proposed Composite Tax Rate:		<u>25.64%</u>						
47	Balance of ADIT after Reform:		<u>(297,783,463)</u>			100	(289,725,823)	(8,057,641)	(297,783,463)
48	Excess ADIT (Regulatory Liability):		<u>(146,751,911)</u>						
49	State and Other Excess ADIT Differences		<u>(1,201,282)</u>						
50	General Ledger Excess ADIT Regulatory Liability		<u>(147,953,193)</u>				(118,049,628)	(29,903,565)	(147,953,193)
51	Kansas Jurisdictional Allocator(1):		<u>5.0936%</u>						
52	Kansas Jurisdictional Portion:		<u>(7,536,121)</u>				(6,012,958)	(1,523,163)	(7,536,121)
53	Total Annual Estimated Amortization:		<u>(302,640)</u>				(150,324)	(152,316)	(302,640)

Footnotes:

- (1) Allocator estimate based on Kansas Total Net Plant In Service Compared to Total Net Company Plant In Service at December 31, 2017
(2) Per Tax-basis balance sheet as of 12/31/17, after adjustments therein



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 289

Page of 1

Data Request Received: 03/19/19

Date of Response: 03/22/19

Request No. 289

Respondent: Leslie Forest

Submitted by: Andria Jackson

RE: Common Gas Property

REQUEST:

Regarding the "Mass Rate" tab included in the workpapers labeled "WP ADJ 2 Common Gas Property Adjustment". Please provide a breakout of the allocation percentages shown in the "Electric" column between Electric, Water, and Non- Operating. Additionally, please provide the Net PP&E, Profit Margin, and Payroll balances supporting the allocation for each component and the supporting workpapers for each amount.

RESPONSE:

In addition, to incorporating the above request into the adjustment the Company has determined that the balances previously reported for Net PP&E and Profit margin are incorrect. The Company should have allocated a portion of the Common Property to the Water and non-utility entities as well.

Therefore, the Company has reflected the corrected values for the proposed adjustment. Please refer to the following attachments:

- [DR 289 Response – WP ADJ 2 Common Non-Electric Property Adjustment.xlsx](#)
- [06-18 Balance Sheet Electric and Water.xls](#)
- [06-18 Inc Stmt Consolidated.xls](#)
- [06-18 Sch 2.xls](#)

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/ Leslie Forest

Date: March 22, 2019

		Total Company					
Line No.	Row Labels	Sum of Book Cost	Sum of Allocated Reserve	Sum of Net Book Value	Mass Rate	Non-Electric Plant In Service Adjustment	Non-Electric Accumulated Depreciation Adjustment
1	389 - Land and Land Rights	\$ 959,083	\$ -	\$ 959,083	6.35%	\$ 60,911	\$ -
2	390 - Structures and Improvements	10,934,267	6,620,992	4,313,275	6.35%	694,435	420,499
3	391.1 - Office Furniture & Equip.	5,335,491	2,175,486	3,160,005	6.35%	338,857	138,165
4	391.3 - Computer	13,178,540	10,540,058	2,638,482	6.35%	836,969	669,399
5	397 - Communication Equip.	5,912,180	3,403,172	2,509,008	6.35%	375,482	216,135
6	398 - Misc. Equip.	190,043	140,712	49,331	6.35%	12,070	8,937
7	Grand Total	\$ 36,509,604	\$ 22,880,420	\$ 13,629,184		\$ 2,318,724	\$ 1,453,135

		Total Company		AS Allocator		KANSAS	
Line No.	General Plant	Non-Electric Plant In Service Adjustment	Non-Electric Accumulated Depreciation Adjustment	General Plant	Accumulated Depreciation	Non-Electric Plant In Service Adjustment	Non-Electric Accumulated Depreciation Adjustment
	(a)	(b)	(c)	(d)	(e)	(f) = (b) x (d)	(g) = (c) x (e)
8	389 - Land and Land Rights	\$ 60,911	\$ -	5.01%	5.01%	\$ 3,055	\$ -
9	390 - Structures and Improvements	694,435	420,499	5.01%	5.01%	34,826	21,088
10	391.1 - Office Furniture & Equip.	338,857	138,165	5.01%	5.01%	16,994	6,929
11	391.3 - Computer	836,969	669,399	5.01%	5.01%	41,974	33,570
12	397 - Communication Equip.	375,482	216,135	5.01%	5.01%	18,830	10,839
13	398 - Misc. Equip.	12,070	8,937	5.01%	5.01%	605	448
14	Total	\$ 2,318,724	\$ 1,453,135			\$ 116,284	\$ 72,874



The Empire District Electric Company

A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 322

Page of 1

Data Request Received: 04/09/19

Request No. 322

Date of Response: 04/10/19

Respondent: Taylor McDaniel

Submitted by: Andria Jackson

RE: Amortizations

REQUEST:

Please refer to the workpaper labeled "DR_79-Amortization_Expense_Final" provided in response to Data Request No. KCC-79. For the assets labeled "KS 2007 Ice Storm Def Charges" and "KS 2007 Ice Storm Carrying Cst" please provide the following:

1. Monthly amortization
2. The expected balances as of September 1, 2019

RESPONSE:

1. Monthly Amortization:
KS 2007 Ice Storm Def Charges – \$9,255.91
KS 2007 Ice Storm Carrying Cst – \$1,800.83
2. Expected September 1, 2019 Balance:
KS 2007 Ice Storm Def Charges – \$92,559.10
KS 2007 Ice Storm Carrying Cst – \$18,008.30

Verification of Response

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: /s/Taylor McDaniel

Date: April 10, 2019

CERTIFICATE OF SERVICE

19-EPDE-223-RTS

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing document was served by electronic service on this 13th day of May, 2019, to the following:

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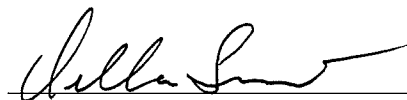
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