

In the Matter of the Application of The Empire District        )  
Electric Company for Approval of the Commission to Make    ) DOCKET NO. 19-EPDE-223-RTS  
Certain Changes in Its Charges for Electric Service        )

SCHEDULES

PREPARED BY

STAFF

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
FOR THE TEST YEAR ENDED JUNE 30, 2018

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DOCKET NO. 19-EPDE-223-RTS  
STAFF REVENUE REQUIREMENT  
FOR THE TEST YEAR ENDED JUNE 30, 2018

LINE NO.	DESCRIPTION	STAFF ADJUSTED
*****	*****	*****
1	PROFORMA RATE BASE	\$63,244,588
2	RATE OF RETURN	<u>7.076%</u>
3	OPERATING INCOME REQUIRED	4,475,255
4	STAFF ADJUSTED OPERATING INCOME	<u>4,725,113</u>
5	DIFFERENCE	(249,858)
6	INCOME TAX FACTOR	<u>0.734700</u>
7	PROFORMA REVENUE REQUIREMENT INCREASE/(DECREASE)	<u><u>(\$340,082)</u></u>

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTED AND PRO FORMA RATE BASE  
FOR THE TEST YEAR ENDED JUNE 30, 2018

**SCHEDULE A-1**

LINE NO.	DESCRIPTION	A TOTAL COMPANY PER BOOKS	B TOTAL COMPANY PRO FORMA ADJUSTMENTS	C TOTAL COMPANY ADJUSTED	D APPLICANT ADJUSTED KANSAS JURISDICTIONAL	E STAFF TEST YEAR ADJUSTMENTS	F STAFF ADJUSTED KANSAS JURISDICTIONAL	G STAFF PRO FORMA ADJUSTMENTS	H STAFF PRO FORMA KANSAS JURISDICTIONAL
*****									
	<b><u>ELECTRIC PLANT IN SERVICE:</u></b>								
1	INTANGIBLE	43,353,801	32,333	43,386,134	2,175,808	(150,169)	2,025,639	0	2,025,639
2	PRODUCTION PLANT	1,338,670,897	4,269,233	1,342,940,130	63,615,746	(27,640)	63,588,106	0	63,588,106
3	TRANSMISSION PLANT	372,685,379	0	372,685,379	0	0	0	0	0
4	DISTRIBUTION PLANT	974,178,778	38,453	974,217,231	53,609,073	911,888	54,520,961	0	54,520,961
5	GENERAL PLANT	89,482,366	(1,830,650)	87,651,716	3,922,214	113,474	4,035,688	0	4,035,688
6	TOTAL ELECTRIC PLANT IN SERVICE	2,818,371,221	2,509,369	2,820,880,590	123,322,841	847,553	124,170,394	0	124,170,394
	<b><u>RESERVE FOR DEPRECIATION: (1)</u></b>								
7	PRODUCTION	343,341,840	0	343,341,840	14,462,891	566,709	15,029,600	0	15,029,600
8	TRANSMISSION	104,205,042	0	104,205,042	0	0	0	0	0
9	DISTRIBUTION	441,007,102	0	441,007,102	24,336,092	577,680	24,913,772	0	24,913,772
10	GENERAL	51,464,931	0	51,464,931	2,257,034	123,396	2,380,430	0	2,380,430
11	INTANGIBLE	20,837,351	0	20,837,351	1,048,050	24,061	1,072,111	0	1,072,111
12	TOTAL UTILITY PLANT	960,856,266	0	960,856,266	42,104,067	1,291,846	43,395,913	0	43,395,913
	<b><u>WORKING CAPITAL:</u></b>								
13	MATERIALS AND SUPPLIES-13-MONTH AVERAGE	54,285,510	(4,596,750)	49,688,760	2,488,546	59,494	2,548,040	0	2,548,040
14	PREPAYMENTS-13-MONTH AVERAGE	8,151,213	(450,476)	7,700,737	385,198	13,250	398,448	0	398,448
15	CASH WORKING CAPITAL	149,410	(24,393)	125,017	125,126	(285,219)	(160,093)	(1,577)	(161,670)
16	TOTAL WORKING CAPITAL	62,586,133	(5,071,619)	57,514,514	2,998,870	(212,475)	2,786,395	(1,577)	2,784,818
	<b><u>OFFSETS TO RATE BASE:</u></b>								
17	DEFERRED TAXES	246,233,175	31,732,536	277,965,711	12,398,178	(441,874)	11,956,304	0	11,956,304
18	REGULATORY ASSET	(205,635,975)	52,364,090	(153,271,885)	0	0	0	0	0
19	REGULATORY LIABILITY	328,945,867	(156,340,064)	172,605,803	7,592,787	318,693	7,911,480	0	7,911,480
20	CUSTOMER DEPOSITS (13-MONTH AVERAGE)	14,294,447	(441,271)	13,853,176	436,996	(4,164)	432,832	0	432,832
21	CUSTOMER ADVANCES (13-MONTH AVERAGE)	3,336,478	(560,071)	2,776,407	16,333	(2,238)	14,095	0	14,095
22	TOTAL OFFSETS TO RATE BASE	387,173,992	(73,244,780)	313,929,212	20,444,294	(129,583)	20,314,711	0	20,314,711
23	NET ELECTRIC RATE BASE	1,532,927,096	70,682,530	1,603,609,626	63,773,350	(527,185)	63,246,165	(1,577)	63,244,588

**(1) Staff adjusted the Kansas allocated accumulated depreciation reserve for the plant categories included in Section 5 of the Application to tie to the Accumulated Depreciation Balance found in Section 3. See Staff Rate Base Adjustment No. 2 for the calculation detail.**

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTMENTS TO RATE BASE  
FOR THE TEST YEAR ENDED JUNE 30, 2018

**SCHEDULE A-2**  
PAGE 1 OF 2

LINE NO.	DESCRIPTION	A APPLICANT ADJ. KANSAS JURISDICTIONAL	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5	G STAFF ADJUSTMENT NO. 6
*****	*****	*****	*****	*****	*****	*****	*****	*****
	<b><u>ELECTRIC PLANT IN SERVICE:</u></b>							
1	INTANGIBLE	2,175,808	(150,169)					
2	PRODUCTION PLANT	63,615,746	(27,640)					
3	TRANSMISSION PLANT	0	0					
4	DISTRIBUTION PLANT	53,609,073	911,888					
5	GENERAL PLANT	3,922,214	113,474					
6	TOTAL ELECTRIC PLANT IN SERVICE	123,322,841	847,553					
	<b><u>RESERVE FOR DEPRECIATION:</u></b>							
7	PRODUCTION	14,462,891		566,709				
8	TRANSMISSION	0		0				
9	DISTRIBUTION	24,336,092		577,680				
10	GENERAL	2,257,034		123,396				
11	INTANGIBLE	1,048,050		24,061				
12	TOTAL UTILITY PLANT	42,104,067		1,291,846				
	<b><u>WORKING CAPITAL:</u></b>							
13	MATERIALS AND SUPPLIES-13-MONTH AVERAGE	2,488,546		(32,959)			93,537	(1,084)
14	PREPAYMENTS-13-MONTH AVERAGE	385,198		3,013		10,237		
15	CASH WORKING CAPITAL	125,126						
16	TOTAL WORKING CAPITAL	2,998,870		(29,946)		10,237	93,537	(1,084)
	<b><u>OFFSETS TO RATE BASE:</u></b>							
17	DEFERRED TAXES	12,398,178			250,606			
19	REGULATORY LIABILITY	7,592,787						
20	CUSTOMER DEPOSITS (13-MONTH AVERAGE)	436,996						
21	CUSTOMER ADVANCES (13-MONTH AVERAGE)	16,333						
22	TOTAL OFFSETS TO RATE BASE	20,444,294			250,606			
23	NET ELECTRIC RATE BASE	63,773,350	847,553	(1,291,846)	(280,552)	10,237	93,537	(1,084)

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTMENTS TO RATE BASE  
FOR THE TEST YEAR ENDED JUNE 30, 2018

**SCHEDULE A-2**  
PAGE 2 OF 2

LINE NO.	DESCRIPTION	H STAFF ADJUSTMENT NO. 7	I STAFF ADJUSTMENT NO. 8	J STAFF ADJUSTMENT NO. 9	K STAFF ADJUSTMENT NO. 10	L STAFF ADJUSTMENT NO. 11	M TOTAL STAFF ADJUSTMENTS	N STAFF ADJUSTED
*****	*****	*****	*****	*****	*****	*****	*****	*****
	<b><u>ELECTRIC PLANT IN SERVICE:</u></b>							
1	INTANGIBLE						(150,169)	2,025,639
2	PRODUCTION PLANT						(27,640)	63,588,106
3	TRANSMISSION PLANT						0	0
4	DISTRIBUTION PLANT						911,888	54,520,961
5	GENERAL PLANT						113,474	4,035,688
6	TOTAL ELECTRIC PLANT IN SERVICE						847,553	124,170,394
	<b><u>RESERVE FOR DEPRECIATION:</u></b>							
7	PRODUCTION						566,709	15,029,600
8	TRANSMISSION						0	0
9	DISTRIBUTION						577,680	24,913,772
10	GENERAL						123,396	2,380,430
11	INTANGIBLE						24,061	1,072,111
12	TOTAL UTILITY PLANT						1,291,846	43,395,913
	<b><u>WORKING CAPITAL:</u></b>							
13	MATERIALS AND SUPPLIES-13-MONTH AVERAGE						59,494	2,548,040
14	PREPAYMENTS-13-MONTH AVERAGE						13,250	398,448
15	CASH WORKING CAPITAL					(285,219)	(285,219)	(160,093)
16	TOTAL WORKING CAPITAL					(285,219)	(212,475)	2,786,395
	<b><u>OFFSETS TO RATE BASE:</u></b>							
17	DEFERRED TAXES			(692,480)			(441,874)	11,956,304
19	REGULATORY LIABILITY				318,693		318,693	7,911,480
20	CUSTOMER DEPOSITS (13-MONTH AVERAGE)		(4,164)				(4,164)	432,832
21	CUSTOMER ADVANCES (13-MONTH AVERAGE)	(2,238)					(2,238)	14,095
22	TOTAL OFFSETS TO RATE BASE	(2,238)	(4,164)	(692,480)	318,693		(129,583)	20,314,711
23	NET ELECTRIC RATE BASE	2,238	4,164	692,480	(318,693)	(285,219)	(527,185)	63,246,165

SCHEDULE A-3

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTED & PRO FORMA CASH WORKING CAPITAL  
FOR THE TEST YEAR ENDED JUNE 30, 2018

LINE NO.	DESCRIPTION	A	B	C	D	E	F	G	H	I	J
		APPLICANT JURISDICTIONAL NORMALIZED EXPENSE	STAFF ADJUSTMENTS NORMALIZED EXPENSE	STAFF ADJUSTED INCOME STATEMENT	REVENUE LAG	EXPENSE LAG	CASH WORKING CAPITAL LAG DAYS	CASH WORKING CAPITAL FACTOR	STAFF CASH WORKING CAPITAL AS ADJUSTED	KANSAS JURISDICTIONAL PRO FORMA INCOME STATEMENT	STAFF PRO FORMA CASH WORKING CAPITAL
1	FUEL AND PURCHASED POWER	5,885,048	(5,885,048)	0	43.4000	31.1300	12.2700	0.033616	0	0	0
2	O & M LABOR	2,096,977	(262,336)	1,834,641	43.4000	12.0000	31.4000	0.086027	157,829	1,834,641	157,829
3	PENSION BENEFITS (401K)	851,845	(42,541)	809,304	43.4000	12.0000	31.4000	0.086027	69,622	809,304	69,622
4	POST RETIREMENT BENEFITS	124,560	41,541	166,101	43.4000	5.6600	37.7400	0.103397	17,174	166,101	17,174
5	EMPLOYER LIFE INSURANCE	11,001	2,662	13,663	43.4000	16.3400	27.0600	0.074137	1,013	13,663	1,013
6	MEDICAL, VISION, AND DENTAL EXPENSES	343,299	(125,812)	217,487	43.4000	16.2900	27.1100	0.074274	16,154	217,487	16,154
7	AFFILIATE EXPENSES	437,702	(42,701)	395,001	43.4000	35.1300	8.2700	0.022658	8,950	395,001	8,950
8	PSC ASSESSMENT	112,594	(132,300)	(19,706)	43.4000	17.2300	26.1700	0.071699	(1,413)	(19,706)	(1,413)
9	O & M , OTHER NON-LABOR	5,044,504	(797,018)	4,247,486	43.4000	29.2100	14.1900	0.038877	165,128	4,247,486	165,128
10	PROPERTY TAX	971,003	(6,394)	964,609	43.4000	195.1300	(151.7300)	(0.415699)	(400,987)	964,609	(400,987)
11	PAYROLL TAXES	137,494	(17,979)	119,515	43.4000	11.1700	32.2300	0.088301	10,553	119,515	10,553
12	INTEREST EXPENSE	1,449,491	(12,388)	1,437,103	43.4000	91.2600	(47.8600)	(0.131123)	(188,438)	1,437,067	(188,433)
13	INCOME TAXES	892,198	(395,245)	496,953	43.4000	37.0000	6.4000	0.017534	8,714	406,739	7,132
14	LESS: TDC CASH WORKING CAPITAL ADJ.								(24,393)		(24,393)
15	NET CASH WORKING CAPITAL								(160,093)		(161,670)

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE  
FOR THE TEST YEAR ENDED JUNE 30, 2018

LINE NO. *****		INCREASE / (DECREASE) TO RATE BASE *****
		SCHEDULE A-4 PAGE 1 OF 2
	<u>STAFF ADJUSTMENT NO. 1</u> (Unrein)	
1	INTANGIBLE	(150,169)
2	PRODUCTION PLANT	(27,640)
3	DISTRIBUTION PLANT	911,888
4	GENERAL PLANT	113,474
5	To update Plant in Service balances through January 31, 2019.	
	<u>STAFF ADJUSTMENT NO. 2</u> (Unrein)	
6	PRODUCTION	(566,709)
7	DISTRIBUTION	(577,680)
8	GENERAL	(123,396)
9	INTANGIBLE	(24,061)
10	To update Accumulated Depreciation balances through January 31, 2019.	
	<u>STAFF ADJUSTMENT NO. 3</u> (Jackson)	
11	MATERIALS AND SUPPLIES-13-MONTH AVERAGE	(32,959)
12	PREPAYMENTS-13-MONTH AVERAGE	3,013
13	DEFERRED TAXES	(250,606)
14	To remove the costs recovered in the transmission delivery charge from Rate Base.	
	<u>STAFF ADJUSTMENT NO. 4</u> (Hutton)	
15	PREPAYMENTS-13-MONTH AVERAGE	10,237
16	To normalize prepayments using a 13-month average as of January 31, 2019.	
	<u>STAFF ADJUSTMENT NO. 5</u> (Hutton)	
17	MATERIALS AND SUPPLIES-13-MONTH AVERAGE	93,537
18	To normalize materials and supplies using a 13-month average as of January 31, 2019.	
	<u>STAFF ADJUSTMENT NO. 6</u> (Hutton)	
19	MATERIALS AND SUPPLIES-13-MONTH AVERAGE	(1,084)
20	To remove Kansas allocation percentage of Empire's water inventory.	
	<u>STAFF ADJUSTMENT NO. 7</u> (Hutton)	
21	CUSTOMER ADVANCES (13-MONTH AVERAGE)	2,238
22	To reflect actual January 31, 2019 customer advances balance.	



THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
EXPLANATION OF STAFF ADJUSTMENTS TO RATE BASE  
FOR THE TEST YEAR ENDED JUNE 30, 2018

LINE NO. *****		INCREASE / (DECREASE) TO RATE BASE *****
		SCHEDULE A-4 PAGE 2 OF 2
	<u>STAFF ADJUSTMENT NO. 8</u> (Hutton)	
23	CUSTOMER DEPOSITS (13-MONTH AVERAGE)	4,164
24	To normalize customer deposits using a 13-month average as of January 31, 2019.	
	<u>STAFF ADJUSTMENT NO. 9</u> (Baldry)	
25	DEFERRED TAXES	692,480
26	To update accumulated deferred income taxes to January 31, 2019 balances.	
	<u>STAFF ADJUSTMENT NO. 10</u> (Baldry)	
27	REGULATORY LIABILITY	(318,693)
28	To update the 12-31-2017 excess accumulated deferred income tax balance based on 12-31-2017 finalized amounts.	
	<u>STAFF ADJUSTMENT NO. 11</u> (Baldry)	
29	CASH WORKING CAPITAL	(285,219)
30	To reflect the impact of all of the income statement and rate base adjustments to Cash Working Capital.	

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT  
FOR THE TEST YEAR ENDED JUNE 30, 2018

SCHEDULE B-1

LINE NO.	DESCRIPTION	A TOTAL COMPANY PER BOOKS	B TOTAL COMPANY PRO FORMA ADJUSTMENTS	C TOTAL COMPANY ADJUSTED	D APPLICANT ADJUSTED KANSAS JURISDICTIONAL	E STAFF TEST YEAR ADJUSTMENTS	F STAFF ADJUSTED KANSAS JURISDICTIONAL	G STAFF PRO FORMA ADJUSTMENTS	H STAFF PRO FORMA KANSAS JURISDICTIONAL
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
	<b><u>ELECTRIC UTILITY OPERATING REVENUES:</u></b>								
1	RESIDENTIAL	266,511,967	(4,181,851)	262,330,116	8,249,623	(80,728)	8,168,895	(340,082)	7,828,813
2	COMMERCIAL	185,854,262	(1,849,769)	184,004,493	4,326,776	(2,660)	4,324,116	0	4,324,116
3	INDUSTRIAL	93,999,760	(2,076,282)	91,923,478	3,202,008	42,091	3,244,099	0	3,244,099
4	PUBLIC STREET AND HIGHWAY LIGHTING	4,257,545	(57,943)	4,199,602	203,602	0	203,602	0	203,602
5	OTHER SALES TO PUBLIC AUTHORITIES	11,793,735	(125,981)	11,667,754	355,963	0	355,963	0	355,963
6	INTERDEPARTMENTAL	335,631	(5,208)	330,423	25,616	0	25,616	0	25,616
7	RESALE - MUNICIPALITIES	20,120,325	0	20,120,325	0	0	0	0	0
8	RESALE - SPP IM	35,919,250	(1,507,495)	34,411,755	0	0	0	0	0
9	TOTAL SALES OF ELECTRICITY	618,792,475	(9,804,529)	608,987,946	16,363,588	(41,297)	16,322,291	(340,082)	15,982,209
10	OTHER ELECTRIC OPERATING REVENUE	12,502,471	536,907	13,039,378	479,986	0	479,986		479,986
11	TOTAL ELECTRIC UTILITY OPERATING REVENUE	631,294,946	(9,267,622)	622,027,324	16,843,574	(41,297)	16,802,277	(340,082)	16,462,195
	<b><u>ELECTRIC UTILITY OPERATING EXPENSES:</u></b>								
12	401-2 PRODUCTION	206,647,698	(5,829,564)	200,818,134	2,843,231	(288,873)	2,554,358	0	2,554,358
13	401-2 TRANSMISSION	25,075,914	(1,224,251)	23,851,663	0	0	0	0	0
14	401-2 DISTRIBUTION	25,438,528	26,445	25,464,973	1,525,473	(166,566)	1,358,907	0	1,358,907
15	401-2 CUSTOMER ACCOUNTS	8,754,321	49,312	8,803,633	540,019	(83,188)	456,831	0	456,831
16	401-2 CUSTOMER ASSISTANCE	4,144,157	5,372	4,149,529	92,603	(8,006)	84,597	0	84,597
17	401-2 SALES	153,719	378	154,097	6,983	(977)	6,006	0	6,006
18	401-2 ADMINISTRATIVE AND GENERAL	1,321,445	125,423	1,446,868	228,773	(132,300)	96,473	0	96,473
19	401-2 OTHER ADMINISTRATIVE & GENERAL	50,545,875	373,849	50,919,724	2,334,051	(220,689)	2,113,362	0	2,113,362
20	403 DEPRECIATION AND AMORTIZATION	80,344,732	259,762	80,604,494	4,145,032	(459,988)	3,685,044	0	3,685,044
21	408.1 TAXES OTHER THAN INCOME TAXES	36,469,544	(632,555)	35,836,989	1,108,497	(15,043)	1,093,454	0	1,093,454
22	409.1 INCOME TAXES-FEDERAL	58,437,989	(26,449,557)	31,988,432	291,333	(35,486)	255,847	(66,411)	189,436
23	409.1 INCOME TAXES-STATE	5,762,100	4,499,427	10,261,527	161,720	79,387	241,107	(23,803)	217,303
24	410.1 PROVISION FOR DEFERRED INCOME TAXES	0	0	0	0	122,035	122,035	0	122,035
25	INVESTMENT TAX CREDIT ADJUSTMENTS-NET	0	0	0	0	(2,629)	(2,629)	0	(2,629)
26	INTEREST ON CUSTOMER DEPOSITS	0	7,062	7,062	7,062	4,711	11,773	0	11,773
27	TOTAL ELECTRIC UTILITY OPER. EXPENSE	503,096,022	(28,788,897)	474,307,125	13,284,777	(1,207,613)	12,077,164	(90,214)	11,986,949
28	NET OPERATING INCOME	128,198,924	19,521,275	147,720,199	3,558,797	1,166,316	4,725,113	(249,868)	4,475,246

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTMENTS TO INCOME STATEMENT  
FOR THE TEST YEAR ENDED JUNE 30, 2018

SCHEDULE B-2  
PAGE 1 OF 3

LINE NO.	DESCRIPTION	A APPLICANT ADJ KANSAS JURISDICTIONAL	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5	G STAFF ADJUSTMENT NO. 6	H STAFF ADJUSTMENT NO. 7	I STAFF ADJUSTMENT NO. 8
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
	<b><u>ELECTRIC UTILITY OPERATING REVENUES:</u></b>									
1	RESIDENTIAL	8,249,623	(80,728)							
2	COMMERCIAL	4,326,776	(2,660)							
3	INDUSTRIAL	3,202,008	42,091							
4	PUBLIC STREET AND HIGHWAY LIGHTING	203,602								
5	OTHER SALES TO PUBLIC AUTHORITIES	355,963								
6	INTERDEPARTMENTAL	25,616								
7	TOTAL SALES OF ELECTRICITY	16,363,588	(41,297)	0	0	0	0	0	0	0
8	OTHER ELECTRIC OPERATING REVENUE	479,986								
9	TOTAL ELECTRIC UTILITY OPERATING REVENUE	16,843,574	(41,297)	0	0	0	0	0	0	0
	<b><u>ELECTRIC UTILITY OPERATING EXPENSES:</u></b>									
10	401-2 PRODUCTION	2,843,231						(71,073)	(676)	
11	401-2 TRANSMISSION	0					9,186	(11,023)	(105)	
12	401-2 DISTRIBUTION	1,525,473			(110,567)			(42,540)	(405)	
13	401-2 CUSTOMER ACCOUNTS	540,019						(22,538)	(214)	
14	401-2 CUSTOMER ASSISTANCE	92,603						(6,641)	(63)	
15	401-2 SALES	6,983						(467)	(4)	
16	401-2 ADMINISTRATIVE AND GENERAL	228,773								
17	401-2 OTHER ADMINISTRATIVE & GENERAL	2,334,051			862		41,796	(95,383)	(11,204)	(123,150)
18	403 DEPRECIATION AND AMORTIZATION	4,145,032				(459,988)				
19	408.1 TAXES OTHER THAN INCOME TAXES	1,108,497		(6,394)			9,330	(17,979)		
20	409.1 INCOME TAXES-FEDERAL	291,333								
21	409.1 INCOME TAXES-STATE	161,720								
22	410.1 PROVISION FOR DEFERRED INCOME TAXES	0								
23	INVESTMENT TAX CREDIT ADJUSTMENTS-NET	0								
24	INTEREST ON CUSTOMER DEPOSITS	7,062								
25	TOTAL ELECTRIC UTILITY OPER. EXPENSE	13,284,777	0	(6,394)	(109,705)	(459,988)	60,312	(267,644)	(12,671)	(123,150)
26	NET OPERATING INCOME	3,558,797	(41,297)	6,394	109,705	459,988	(60,312)	267,644	12,671	123,150

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTMENTS TO INCOME STATEMENT  
FOR THE TEST YEAR ENDED JUNE 30, 2018

SCHEDULE B-2  
PAGE 2 OF 3

LINE NO.	DESCRIPTION	J STAFF ADJUSTMENT NO.9	K STAFF ADJUSTMENT NO.10	L STAFF ADJUSTMENT NO.11	M STAFF ADJUSTMENT NO.12	N STAFF ADJUSTMENT NO.13	O STAFF ADJUSTMENT NO.14	P STAFF ADJUSTMENT NO.15	Q STAFF ADJUSTMENT NO.16
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
	<b><u>ELECTRIC UTILITY OPERATING REVENUES:</u></b>								
1	RESIDENTIAL								
2	COMMERCIAL								
3	INDUSTRIAL								
4	PUBLIC STREET AND HIGHWAY LIGHTING								
5	OTHER SALES TO PUBLIC AUTHORITIES								
6	INTERDEPARTMENTAL								
7	TOTAL SALES OF ELECTRICITY	0	0	0	0	0	0	0	0
8	OTHER ELECTRIC OPERATING REVENUE								
9	TOTAL ELECTRIC UTILITY OPERATING REVENUE	0	0	0	0	0	0	0	0
	<b><u>ELECTRIC UTILITY OPERATING EXPENSES:</u></b>								
10	401-2 PRODUCTION			(217,124)					
11	401-2 TRANSMISSION			1,942					
12	401-2 DISTRIBUTION			7	(13,061)				
13	401-2 CUSTOMER ACCOUNTS		(10)			(60,426)			
14	401-2 CUSTOMER ASSISTANCE		(435)				(867)		
15	401-2 SALES		(506)						
16	401-2 ADMINISTRATIVE AND GENERAL								
17	401-2 OTHER ADMINISTRATIVE & GENERAL	(42,701)	(12,677)	(12,071)			(85)		93,153
18	403 DEPRECIATION AND AMORTIZATION								
19	408.1 TAXES OTHER THAN INCOME TAXES								
20	409.1 INCOME TAXES-FEDERAL								
21	409.1 INCOME TAXES-STATE								
22	410.1 PROVISION FOR DEFERRED INCOME TAXES								
23	INVESTMENT TAX CREDIT ADJUSTMENTS-NET								
24	INTEREST ON CUSTOMER DEPOSITS							4,711	
25	TOTAL ELECTRIC UTILITY OPER. EXPENSE	(42,701)	(13,628)	(227,246)	(13,061)	(60,426)	(952)	4,711	93,153
26	NET OPERATING INCOME	42,701	13,628	227,246	13,061	60,426	952	(4,711)	(93,153)

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTMENTS TO INCOME STATEMENT  
FOR THE TEST YEAR ENDED JUNE 30, 2018

SCHEDULE B-2  
PAGE 3 OF 3

LINE NO.	DESCRIPTION	R STAFF ADJUSTMENT NO.17	S STAFF ADJUSTMENT NO.18	T STAFF ADJUSTMENT NO.19	U TOTAL STAFF ADJUSTMENTS	V STAFF ADJUSTED
*****	*****	*****	*****	*****	*****	*****
	<b><u>ELECTRIC UTILITY OPERATING REVENUES:</u></b>					
1	RESIDENTIAL				(80,728)	8,168,895
2	COMMERCIAL				(2,660)	4,324,116
3	INDUSTRIAL				42,091	3,244,099
4	PUBLIC STREET AND HIGHWAY LIGHTING				0	203,602
5	OTHER SALES TO PUBLIC AUTHORITIES				0	355,963
6	INTERDEPARTMENTAL				0	25,616
7	TOTAL SALES OF ELECTRICITY	0	0	0	(41,297)	16,322,291
8	OTHER ELECTRIC OPERATING REVENUE				0	479,986
9	TOTAL ELECTRIC UTILITY OPERATING REVENUE	0	0	0	(41,297)	16,802,277
	<b><u>ELECTRIC UTILITY OPERATING EXPENSES:</u></b>					
10	401-2 PRODUCTION				(288,873)	2,554,358
11	401-2 TRANSMISSION				0	0
12	401-2 DISTRIBUTION				(166,566)	1,358,907
13	401-2 CUSTOMER ACCOUNTS				(83,188)	456,831
14	401-2 CUSTOMER ASSISTANCE				(8,006)	84,597
15	401-2 SALES				(977)	6,006
16	401-2 ADMINISTRATIVE AND GENERAL		(132,300)		(132,300)	96,473
17	401-2 OTHER ADMINISTRATIVE & GENERAL	(59,229)			(220,689)	2,113,362
18	403 DEPRECIATION AND AMORTIZATION				(459,988)	3,685,044
19	408.1 TAXES OTHER THAN INCOME TAXES				(15,043)	1,093,454
20	409.1 INCOME TAXES-FEDERAL			(35,486)	(35,486)	255,847
21	409.1 INCOME TAXES-STATE			79,387	79,387	241,107
22	410.1 PROVISION FOR DEFERRED INCOME TAXES			122,035	122,035	122,035
23	INVESTMENT TAX CREDIT ADJUSTMENTS-NET			(2,629)	(2,629)	(2,629)
24	INTEREST ON CUSTOMER DEPOSITS				4,711	11,773
25	TOTAL ELECTRIC UTILITY OPER. EXPENSE	(59,229)	(132,300)	163,306	(1,207,613)	12,077,164
26	NET OPERATING INCOME	59,229	132,300	(163,306)	1,166,316	4,725,113

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATING INCOME  
FOR THE TEST YEAR ENDED JUNE 30, 2018

INCREASE / (DECREASE)  
TO REVENUE/EXPENSE  
\*\*\*\*\*

SCHEDULE B-3  
PAGE 1 OF 3

LINE  
NO.  
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<u>STAFF ADJUSTMENT NO. 1</u>		(Economics Section)	
1	RESIDENTIAL		(80,728)
2	COMMERCIAL		(2,660)
3	INDUSTRIAL		42,091
4	To reflect Staff's adjustment for weather normalization and customer annualization.		
<u>STAFF ADJUSTMENT NO. 2</u>		(Jackson)	
5	408.1 TAXES OTHER THAN INCOME TAXES		(6,394)
6	To reflect Staff's adjustment to property taxes.		
<u>STAFF ADJUSTMENT NO. 3</u>		(Jackson)	
7	DISTRIBUTION		(110,567)
8	OTHER ADMINISTRATIVE AND GENERAL		862
9	To reflect Staff's adjustments to amortization.		
<u>STAFF ADJUSTMENT NO. 4</u>		(Jackson)	
10	DEPRECIATION AND AMORTIZATION		(459,988)
11	To reflect Staff's adjustment to depreciation and amortization expense.		
<u>STAFF ADJUSTMENT NO. 5</u>		(Jackson)	
12	TRANSMISSION		9,186
13	OTHER ADMINISTRATIVE AND GENERAL		41,796
14	TAXES OTHER THAN INCOME TAXES		9,330
15	To remove the costs recovered in the transmission delivery charge.		
<u>STAFF ADJUSTMENT NO. 6</u>		(Figgs)	
16	PRODUCTION		(71,073)
17	TRANSMISSION		(11,023)
18	DISTRIBUTION		(42,540)
19	CUSTOMER ACCOUNTS		(22,538)
20	CUSTOMER ASSISTANCE		(6,641)
21	SALES		(467)
22	ADMINISTRATIVE AND GENERAL		0
23	OTHER ADMINISTRATIVE & GENERAL		(95,383)
24	TAXES OTHER THAN INCOME TAXES		(17,979)
25	To adjust Payroll Expense.		

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATING INCOME  
FOR THE TEST YEAR ENDED JUNE 30, 2018

INCREASE / (DECREASE)  
TO REVENUE/EXPENSE  
\*\*\*\*\*

SCHEDULE B-3  
PAGE 2 OF 3

LINE  
NO.  
\*\*\*\*\*

<u>STAFF ADJUSTMENT NO. 7</u>		(Figgs)	
26	PRODUCTION		(676)
27	TRANSMISSION		(105)
28	DISTRIBUTION		(405)
29	CUSTOMER ACCOUNTS		(214)
30	CUSTOMER ASSISTANCE		(63)
31	SALES		(4)
32	ADMINISTRATIVE AND GENERAL		(11,204)
33	To adjust Incentive Compensation.		
<u>STAFF ADJUSTMENT NO. 8</u>		(Figgs)	
34	ADMINISTRATIVE AND GENERAL		(123,150)
35	To adjust Employee Healthcare Benefits.		
<u>STAFF ADJUSTMENT NO. 9</u>		(Figgs)	
36	ADMINISTRATIVE AND GENERAL		(42,701)
37	Adjustment to A&G Expense to comply with the Merger Agreement in Docket No. 16-EPDE-410-ACQ.		
<u>STAFF ADJUSTMENT NO. 10</u>		(Figgs)	
38	CUSTOMER ACCOUNTS		(10)
39	CUSTOMER ASSISTANCE		(435)
40	SALES		(506)
41	ADMINISTRATIVE AND GENERAL		(12,677)
42	Adjustment for Dues & Donations.		
<u>STAFF ADJUSTMENT NO. 11</u>		(Hutton)	
43	PRODUCTION		(217,124)
44	TRANSMISSION		1,942
45	DISTRIBUTION		7
46	OTHER ADMINISTRATIVE & GENERAL		(12,071)
47	To normalize non-labor operational and maintenance expense for generation units using a 3-year average.		
<u>STAFF ADJUSTMENT NO. 12</u>		(Hutton)	
48	DISTRIBUTION		(13,061)
49	To remove abnormal and non-recurring expenses.		
<u>STAFF ADJUSTMENT NO. 13</u>		(Hutton)	
50	CUSTOMER ACCOUNTS		(60,426)
51	To adjust bad debt expense.		

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
EXPLANATION OF STAFF ADJUSTMENTS TO OPERATING INCOME  
FOR THE TEST YEAR ENDED JUNE 30, 2018

LINE NO. *****		INCREASE / (DECREASE) TO REVENUE/EXPENSE *****
	<u>STAFF ADJUSTMENT NO. 14</u> (Hutton)	SCHEDULE B-3 PAGE 3 OF 3
52	401-2 CUSTOMER ASSISTANCE	(867)
53	OTHER ADMINISTRATIVE & GENERAL	(85)
54	To adjust advertising expenses.	
	<u>STAFF ADJUSTMENT NO. 15</u> (Hutton)	
55	INTEREST ON CUSTOMER DEPOSITS	4,711
56	To update interest expense on customer deposits.	
	<u>STAFF ADJUSTMENT NO. 16</u> (Baldry)	
57	OTHER ADMINISTRATIVE & GENERAL	93,153
58	To reflect pension and postretirement benefit expenses for the twelve months ending January 31,2019.	
	<u>STAFF ADJUSTMENT NO. 17</u> (Baldry)	
59	OTHER ADMINISTRATIVE & GENERAL	(59,229)
60	To remove the pension savings related to the prepaid pension asset.	
	<u>STAFF ADJUSTMENT NO. 18</u> (Baldry)	
61	ADMINISTRATIVE AND GENERAL	(132,300)
62	To reflect actual rate case expense as of March 31,2019.	
	<u>STAFF ADJUSTMENT NO. 19</u> (Baldry)	
63	INCOME TAXES - FEDERAL	(35,486)
64	INCOME TAXES - STATE	79,387
65	PROVISION FOR DEFERRED INCOME TAXES	122,035
66	INVESTMENT TAX CREDIT ADJUSTMENTS-NET	(2,629)
67	To adjust current & deferred income taxes to reflect the effect of Staff's adjustments.	



THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
STAFF ADJUSTED AND PRO FORMA CALCULATION OF TAXABLE INCOME  
FOR THE TEST YEAR ENDED JUNE 30, 2018

SCHEDULE B-4

LINE NO.	DESCRIPTION	A APPLICANT AS RECORDED	B APPLICANT TEST YEAR ADJUSTMENTS	C APPLICANT ADJUSTED	D APPLICANT ADJ KANSAS JURISDICTIONAL	E STAFF TEST YEAR ADJUSTMENTS	F STAFF ADJUSTED	G STAFF PRO FORMA ADJUSTMENTS	H STAFF PRO FORMA
*****	*****	*****	*****	*****	*****	*****	*****	*****	*****
1	NET OPERATING INCOME BEFORE TAXES	192,399,013	(2,428,855)	189,970,158	4,011,850	1,329,622	5,341,472	(340,082)	5,001,390
	ADD:								
2	BOOK DEPRECIATION	0	0	0	0	(459,988)	(459,988)	0	(459,988)
3	NONDEDUCTIBLE EXPENSES (MEALS)	0	0	0	0	0	0	0	0
4	NON-DEDUCTIBLE CLUB DUES	0	0	0	0	0	0	0	0
5	CONTRIBUTIONS IN AID OF CONSTRUCTION	0	0	0	0	0	0	0	0
6	TOTAL ADDITIONS	0	0	0	0	(459,988)	(459,988)	0	(459,988)
	LESS:								
7	INTEREST EXPENSE	0	0	0	1,449,493	(12,390)	1,437,103	(36)	1,437,067
8	TAX DEPRECIATION	0	0	0	0	0	0	0	0
9	PREFERRED STOCK	0	0	0	0	0	0	0	0
10	ADR DISMANTLING	0	0	0	0	0	0	0	0
11	COST OF REMOVAL (NET NEGATIVE SALVAGE)	0	0	0	0	0	0	0	0
12	TOTAL DEDUCTIONS	0	0	0	1,449,493	(12,390)	1,437,103	(36)	1,437,067
13	NET TAXABLE INCOME	192,399,013	(2,428,855)	189,970,158	2,562,357	882,024	3,444,381	(340,046)	3,104,335
14	KANSAS TAX RATE	6.31%	6.31%	6.31%	6.31%	7.00%	7.00%	7.00%	7.00%
15	KANSAS INCOME TAX	12,140,378	(153,261)	11,987,117	161,721	79,386	241,107	(23,803)	217,303
16	ADJUSTMENTS	0		0	0		0		0
17	KANSAS INCOME TAX - CURRENT	12,140,378	(153,261)	11,987,117	161,721	79,386	241,107	(23,803)	217,303
18	TAXABLE FEDERAL INCOME	180,258,635	(2,275,594)	177,983,041	2,562,357	640,917	3,203,274	(316,243)	2,887,032
19	FEDERAL TAX RATE	19.67%	19.67%	19.67%	19.67%	21.00%	21.00%	21.00%	21.00%
20	FEDERAL INCOME TAX	35,456,874	(447,609)	35,009,264	504,133	168,554	672,688	(66,411)	606,277
21	ADJUSTMENTS	0	0	0	(212,800)	(204,041)	(416,841)	0	(416,841)
22	FEDERAL INCOME TAX - CURRENT	35,456,874	(447,609)	35,009,264	291,333	(35,487)	255,847	(66,411)	189,436
23	SUMMARY OF INCOME TAXES - CURRENT								
24	KANSAS INCOME TAX	12,140,378	(153,261)	11,987,117	161,721	79,386	241,107	(23,803)	217,303
25	FEDERAL INCOME TAX	35,456,874	(447,609)	35,009,264	291,333	(35,487)	255,847	(66,411)	189,436
26	TOTAL CURRENT INCOME TAX	47,597,251	(600,870)	46,996,381	453,054	43,899	496,953	(90,214)	406,739

SCHEDULE B-4-1

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
INTEREST EXPENSE CALCULATION  
FOR THE TEST YEAR ENDED JUNE 30, 2018

LINE NO.	DESCRIPTION	A STAFF ADJUSTED	B STAFF PRO FORMA
*****	*****	*****	*****
1	RATE BASE	\$63,246,165	\$63,244,588
2	WEIGHTED COST OF LT DEBT	<u>2.2722%</u>	<u>2.2722%</u>
3	INTEREST EXPENSE	<u>\$1,437,103</u>	<u>\$1,437,067</u>

**SCHEDULE C-1**

#### 4 WEIGHTED COST OF DEBT

THE EMPIRE DISTRICT ELECTRIC COMPANY  
DOCKET NO. 19-EPDE-223-RTS  
BAD DEBT EXPENSE CALCULATION  
FOR THE TEST YEAR ENDED JUNE 30, 2018

BAD DEBT SCHEDULE

Line No.	FERC Account	Description	Amount
1		Staff Pro Forma Jurisdictional Retail Revenues	\$15,956,593
2		Staff 4 Year Average Net Bad Debt Wrtie-Off	<u>0.3617%</u>
3		Staff Adjusted Test Year Bad Debt Expense	57,722
4	904	Empire KS Jurisdictional Test Year Bad Debt Expense	<u>118,148</u>
5	94	Staff Adjustment to Bad Debt Expense	(60,426)

## **CERTIFICATE OF SERVICE**

19-EPDE-223-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Staff Schedules was served via electronic service this 13th day of May, 2019, to the following:

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## **CERTIFICATE OF SERVICE**

19-EPDE-223-RTS

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/s/ Vicki Jacobsen  
Vicki Jacobsen

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