

**BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

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

DIRECT TESTIMONY

PREPARED BY

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KANSAS CORPORATION COMMISSION

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I. INTRODUCTION

Q. Please state your name.

A. My name is Andria N. Jackson.

Q. What is your business address?

A. My business address is 1500 Southwest Arrowhead Road, Topeka, Kansas 66604.

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

A. I am employed by the Kansas Corporation Commission (KCC or Commission) as
a Senior Managing Auditor.

**Q. Would you please describe your educational background and professional
experience?**

A. I received a Bachelor's of Science in Business Administration with an emphasis
in Finance and Marketing in December 2007 and a Masters of Business
Administration in December of 2010 from Washburn University. I began
employment with the Commission as a Regulatory Auditor in June 2008 and was
promoted to Senior Auditor in July 2013 and then to Managing Auditor in
January 2015. I was promoted to my current position in July 2018.

Q. Have you ever testified before the Commission?

A. Yes. I have filed testimony before the Commission in several dockets, including
Docket Nos. 09-MKEE-969-RTS, 10-EPDE-314-RTS, 11-MKEE-439-RTS, 11-
CNHT-659-KSF, 11-EPDE-856-RTS, 12-WSEE-112-RTS, 12-MKEE-380-RTS,
12-MKEE-491-RTS, 12-KCPE-764-RTS, 13-CRKT-268-KSF, 13-JBNT-437-
KSF, 13-PLTT-678-KSF, 14-KCPE-272-RTS, 14-BHCG-502-RTS, 15-MRGT-

1 097-AUD, 15-KCPE-116-RTS, 15-TWVT-213-AUD, 16-MDWE-324-TFR, 16-
2 KGSG-491-RTS, 17-KCPE-201-RTS, and 18-KCPE-480-RTS.

3 **II. EXECUTIVE SUMMARY**

4 **Q. What were your responsibilities in the review of The Empire District Electric**
5 **Company (Empire) rate case Application in Docket No. 19-EPDE-223-RTS**
6 **(19-223 Docket)?**

7 A. My responsibilities as the lead auditor in this case were to analyze, audit and
8 review Empire's rate case Application and oversee the preparation of Staff's
9 revenue requirement analysis. In addition, I calculated and am sponsoring
10 selected Staff adjustments to Empire's pro forma rate base and income statement.
11 My duties are carried out under the direction of the Chief of Accounting and
12 Financial Analysis, Justin Grady. In summary, I recommend that the Commission
13 make the following changes to Empire's filed revenue requirement
14 recommendation:

- 15 ▪ Adjust Empire's pro forma adjustment to plant in service and accumulated
16 depreciation included in the cost of service for the Iatan and Plum Point
17 prudence disallowance to reflect balances as of August 31, 2011.
- 18 ▪ Update Empire's pro forma adjustment to plant in service and accumulated
19 depreciation for common gas property using actual balances as of January 31,
20 2019, and update the allocation for common property to reflect all Empire
21 entities.

- 1 ▪ Remove property taxes relating to the Iatan and Plum Point prudency
- 2 disallowance, common plant, and plant additions.
- 3 ▪ Update the 2007 ice storm amortizations included in the test year through
- 4 September 1, 2019, and amortize over five years.
- 5 ▪ Update depreciation expense based on plant balances as of January 31, 2019,
- 6 and Staff's proposed depreciation rates as well as update amortization expense
- 7 through January 31, 2019.
- 8 ▪ Remove the transmission-related portion of Staff rate base and income
- 9 statement adjustments as well as recommend changes to Empire's proposed
- 10 Transmission Delivery Charge (TDC) revenue requirement and tariff.

11 **Q. Please provide the list of Staff witnesses and a brief description of the**
12 **testimony they are sponsoring.**

13 A. William Baldry: Mr. Baldry provides testimony on selected income statement
14 and rate base items including accumulated deferred income taxes (ADIT), excess
15 deferred income taxes, cash working capital, pension expense, postretirement
16 benefits, rate case expense, and income taxes. Mr. Baldry also sponsors Staff's
17 Revenue Requirement Schedules.

18 Katie Figgs: Ms. Figgs sponsors testimony on selected income statement items
19 including payroll, incentive compensation, employee benefits, administrative and
20 general (A&G) expenses, and dues and donations.

21 Adam Gatewood: Mr. Gatewood provides testimony on Staff's recommended
22 rate of return on rate base for Empire, including the appropriate capital structure,
23 cost of equity, and cost of debt to use for this proceeding.

1 Justin Grady: Mr. Grady sponsors testimony related to the Tax Cuts and Jobs Act
2 of 2017 (TCJA) and Staff's recommended amortization period for excess deferred
3 income taxes. Mr. Grady also discusses Staff's analysis of Empire's proposed
4 Capital Tracker as well as Staff's recommendation relating to the potential early
5 retirement of the Asbury Power Plant.

6 Brad Hutton: Mr. Hutton sponsors testimony on selected rate base and income
7 statement items including working capital components, non-labor generation
8 operations and maintenance (O&M) expense, advertising expense, bad debt
9 expense, etc.

10 Roxie McCullar: Ms. McCullar sponsors testimony related to Staff's
11 recommended depreciation rates.

12 Chad Unrein: Mr. Unrein sponsors testimony related to plant in service and
13 accumulated depreciation and also provides an analysis of the prudence of
14 Empire's environmental cost recovery riders.

15 Lana Ellis: Ms. Ellis provides testimony on Empire's LED conversion proposal
16 and sponsors Staff's LED lighting rate design.

17 Bob Glass: Dr. Glass sponsors Staff's rate design and provides an analysis of
18 Empire's decoupling proposal.

19 Justin Prentiss: Mr. Prentiss sponsors Staff's Class Cost of Service.

20 Darrin Prince: Mr. Prince provides testimony on normalizing for weather and
21 customer counts and sponsors Staff's weather normalization and customer
22 annualization adjustments.

1 Tim Stringer: Mr. Stringer sponsors testimony relating to the costs associated
2 with mercury vapor, high pressure sodium and LED streetlights.

3 Q. How is the rest of your testimony organized?

4 A. The remainder of my testimony is organized as follows:

5 **(1) Overview** – I provide an overview, which presents some of the significant
6 components of the rate case and how they differ from Empire’s last two general
7 rate cases. I also discuss the major drivers of this rate case.

8 **(2) Just and Reasonable Review** – I discuss Staff’s revenue requirement
9 analysis. I also present a table of Staff’s adjustments to the pro forma income
10 statement and rate base that define the differences between Staff’s and Empire’s
11 recommended revenue requirement.

12 **(3) Rate Base** – I discuss and support my adjustments to Empire’s pro forma rate
13 base.

14 **(4) Income Statement** – I discuss and support my adjustments to Empire’s pro
15 forma income statement.

16 **(5) Transmission Delivery Charge Rider** – I discuss Staff’s recommendations
17 for the implementation of the TDC tariff.

18 **Q. Are you sponsoring any exhibits?**

19 A. Yes, a listing of the exhibits I am sponsoring follows my testimony.

20 **III. OVERVIEW**

21 **Q. Please provide an overview of Empire.**

1 A. The Empire District Electric Company is a wholly-owned subsidiary of Liberty
2 Utilities Co. (Liberty Utilities) and is headquartered in Joplin, Missouri. Empire
3 provides electric, natural gas and water utility service to approximately 218,000
4 customers across four states. Of those customers, Empire provides electric
5 service to approximately 173,000 customers in Kansas, Missouri, Arkansas and
6 Oklahoma, and either water or natural gas service to the remaining 45,000
7 customers in the state of Missouri. As of June 30, 2018, in Kansas, Empire
8 served approximately 8,173 residential customers, 1,294 commercial customers,
9 151 industrial customers, 52 public authority and street and highway customers,
10 and one resale customer.¹

11 Algonquin Power & Utilites Corp. (Algonquin), Empire's ultimate corporate
12 parent, is a Canadian publicly traded company headquartered in Oakville,
13 Ontario. Algonquin's business portfolio is comprised of 50% regulated
14 operations through its wholly-owned subsidiary, Liberty Utilities, and 50% non-
15 regulated power generation operations through Algonquin Power Co.

16 **Q. Please provide an overview of the rate case request as filed by Empire.**

17 A. Empire's Application, filed December 10, 2018, requests a revenue requirement
18 increase of \$2.5 million, or a 13.53% increase in its electric service rates.² This
19 increase is supported by pro forma revenues of \$16.8 million, pro forma expenses
20 of \$13.3 million, and a pro forma rate base of \$63.8 million. Empire has
21 requested a 10.2% return on equity and a 7.54% overall rate of return (after tax

¹ This equates to approximately 5.6% of Empire's total electric customer base being served in the state of Kansas.

² The impact of this request to residential customers would result in an increase of approximately \$19.99 per month.

1 weighted average cost of capital). The table below summarizes how some of
2 these elements have changed since Empire's last two general rate cases, Docket
3 Nos. 05-EPDE-980-RTS (05-980 Docket) and 10-EPDE-314-RTS (10-314
4 Docket).

Empire Pro Forma Rate Base, Revenue, Expenses, Income (in Millions)			
Description	05-980 Docket	10-314 Docket	19-223 Docket
Net Electric Plant	\$48.92	\$75.97	\$81.22
Net Rate Base	\$50.94	\$69.18	\$63.77
Total Operating Revenue	\$16.97	\$13.89	\$16.84
Total Operating Expense	\$15.34	\$10.93	\$13.28
Operating Income	\$1.63	\$2.96	\$3.56

5

6 **Q. What are the primary drivers of Empire's requested rate increase?**

7 A. According to Empire, there are five primary drivers behind Empire filing this
8 case, including: (1) significant capital investments in generation, transmission and
9 distribution systems since its last rate case; (2) inflationary increases in operating
10 costs; (3) a proposal to offset the tax savings amount relating to the TCJA accrued
11 as a regulatory liability with other cost of service components; (4) a depreciation
12 rate study; and (5) the request to establish several regulatory mechanisms,
13 including a TDC Rider, Capital Tracker Rider, and Revenue Stabilization Rider.
14 Additionally, Empire requests to roll the costs currently recovered through its
15 Asbury Environmental and Riverton Cost Recovery (AERR) rider into base rates
16 and discontinue the surcharge billed to its Kansas customers.

17 **Q. What is the total rate impact of Empire's proposed revenue requirement?**

18 A. While Empire requests an overall revenue requirement increase of \$4.9 million,
19 the net impact to customers equates to \$2.5 million as a result of increasing the

1 base revenue requirement by the TDC revenue previously collected through base
2 rates and rebasing the amounts currently collected from customers through the Ad
3 Valorem Tax Surcharge (AVTS) and AERR.³ Staff has also presented its revenue
4 increase in the same manner. The net result being as follows:

Net Rate Impact		
Description	Empire	Staff
Base Revenue Requirement Increase	\$1,689,900	(\$340,082)
TDC Revenue Formerly in Base Rates	\$3,166,367	\$2,708,470
Total Revenue Increase	\$4,856,267	\$2,368,388
AERR Rebased	\$1,794,980	\$1,794,980
AVTS Rebased	\$555,293	\$555,293
Net Revenue Increase to Customers	\$2,505,994	\$18,115

5

6 **Q. What test year did Empire use in its Application before the Commission?**

7 A. Empire's revenue requirement schedules are based on a historical test year of the
8 12-months ending June 30, 2018.

9 **Q. What are the results of Staff's revenue requirement analysis?**

10 A. Staff recommends Empire be granted an \$18,115 net increase in retail revenues,
11 which stands in contrast to Empire's proposed revenue requirement (with the
12 AVTS and AERR rebased) increase of \$2,505,994. The table presented below
13 captures the major differences between Empire's and Staff's revenue requirement
14 analysis (amounts presented in millions).

15

³ It is important to note that, unlike the AERR that will be zeroed out at the effectiveness of rates in this case, the AVTS does not actually go to zero at the time that ad valorem taxes are rebased. The nature of the AVTS is that it is a purely historical rider that compares the actual ad valorem taxes incurred over the previous year with the ad valorem taxes included in base rates. As such, it takes a full year before rebasing the ad valorem taxes included in base rates is reflected in the reduction in the AVTS. With that being said, going forward, and all other things being equal, the AVTS amount will be lower by the increase in the amount of ad valorem taxes included in Empire's base rates during this proceeding.

Description	Empire's Application	Staff's Filed Position
Total Revenue Increase	\$2.506	\$0.018
Pro Forma Rate Base	\$63.773	\$63.245
Operating Income	\$3.559	\$4.725
Return on Equity (ROE)	10.20%	9.30%
Rate of Return (ROR)	7.542%	7.076%

IV. JUST AND REASONABLE REVIEW

Q. Do you believe that Staff's revenue requirement analysis results in just and reasonable rates?

A. Yes. The result of Staff's revenue requirement analysis meets the balancing test set forth by the Kansas Supreme Court, which is stated in pertinent part as follows:

The leading cases in this area clearly indicate that the goal should be a rate fixed within the 'zone of reasonableness' after the application of a balancing test in which the interests of all concerned parties are considered. In rate-making cases, the parties whose interests must be considered and balanced are these: (1) the utility's investors vs. the ratepayers; (2) the present ratepayers vs. the future ratepayers; and (3) the public interest.⁴

(1) Investors vs. ratepayers – Staff's adjustments, presented below, are performed with the intention of producing a revenue requirement that is reflective of Empire's ongoing normalized operations. This affords Empire (and its investors) the opportunity to earn its authorized return, but not a guarantee. Also, Staff has removed expenses from the cost of service that would be inappropriate to recover from Empire's ratepayers or are more appropriately shared between ratepayers and shareholders. As discussed in Adam Gatewood's testimony,

⁴ *Kan. Gas and Electric Co. v. State Corp Comm'n*, 239 Kan. 483, 488 (1986).

1 Staff's return on equity recommendation is an accurate reflection of the capital
2 costs currently required in the market for public utility equity and is representative
3 of a just and reasonable return on invested capital.

4 **(2) Current vs. future ratepayers** – Where possible, Staff has attempted to
5 identify any intergenerational issues (such as the proper depreciation techniques
6 and the amortization of infrequent or non-recurring events to multiple periods)
7 and has made recommendations that appropriately balance the interests of present
8 and future ratepayers.

9 **(3) Public interest generally** – Generally speaking, the public interest is
10 served when ratepayers' interests are carefully considered and balanced against
11 the interests of management and the shareholders of the utility. This
12 process/review includes protecting ratepayers from unreasonably high prices,
13 discriminatory prices, and/or unreliable service. This also includes assuring that
14 rates are not so low that the utilities that serve those ratepayers are unable to
15 provide reliable service, remain financially stable, and attract capital on
16 reasonable terms. Staff has carefully considered the public interest in developing
17 its recommendations presented in this docket and asserts the public interest will
18 be served if its recommendations are adopted by the Commission.

19 Staff's proposed revenue requirement increase will not adversely impact
20 Empire's ability to provide efficient and sufficient service, as it is based on
21 Empire's ongoing, normalized cost of service and includes provisions such as
22 updated plant in service balances, payroll and pension expense for all Empire
23 employees as of January 31, 2019, and other updated, current cost of service

1 items. Staff's revenue requirement allows Empire sufficient revenues and cash
2 flow to allow it the opportunity to earn its rate of return, but not a guarantee.

3 **Q. What accounts for the differences between Staff's and Empire's**
4 **recommended revenue requirement increase?**

5 A. Listed below is a table of Staff's adjustments and the Staff witness sponsoring
6 each adjustment. Although the particulars of each adjustment are different, Staff
7 adjustments are usually made in order to correct an error present in Empire's
8 Application, to revise a pro forma adjustment to utilize more current known and
9 measurable data, or to remove expenses that would not be appropriate to recover
10 from ratepayers. These adjustments are made with the intention that the end
11 result will be a revenue requirement that is in the public interest because it is
12 representative of ongoing, normalized operations and will result in just and
13 reasonable rates for all stakeholders involved.

Adj. No.	Witness	Description	Effect on Rate Base or Operating Income
RB-1	Chad Unrein	Plant in Service	847,553
RB-2	Chad Unrein	Accumulated Depreciation	(1,291,846)
RB-3	Andria Jackson	Transmission Delivery Charge	(280,552)
RB-4	Brad Hutton	Prepayments	10,237
RB-5	Brad Hutton	Materials and Supplies	93,537
RB-6	Brad Hutton	Water Inventory	(1,084)
RB-7	Brad Hutton	Customer Advances	2,238
RB-8	Brad Hutton	Customer Deposits	4,164
RB-9	Bill Baldry	Accumulated Deferred Income Taxes	692,480
RB-10	Bill Baldry	Excess Deferred Income Taxes	(318,693)
RB-11	Bill Baldry	Cash Working Capital	(285,219)
IS-1	Darren Prince	Weather Normalization and Customer Annualization	(41,297)
IS-2	Andria Jackson	Property Taxes	6,394
IS-3	Andria Jackson	Amortizations	109,705

IS-4	Andria Jackson	Depreciation and Amortization Expense	459,988
IS-5	Andria Jackson	Transmission Delivery Charge	(60,312)
IS-6	Katie Figgs	Payroll Expenses	267,644
IS-7	Katie Figgs	Incentive Compensation	12,671
IS-8	Katie Figgs	Employee Benefits	123,150
IS-9	Katie Figgs	A&G Expenses	42,701
IS-10	Katie Figgs	Dues and Donations	13,628
IS-11	Brad Hutton	Non-Labor O&M Expense for Generation Units	227,246
IS-12	Brad Hutton	Non-Recurring Expense	13,061
IS-13	Brad Hutton	Bad Debt Expense	60,426
IS-14	Brad Hutton	Advertising Expense	952
IS-15	Brad Hutton	Customer Deposit Interest	(4,711)
IS-16	Bill Baldry	Pension and Postretirement Benefit Expense	(93,153)
IS-17	Bill Baldry	Pension Savings Related to Prepaid Pension Asset	59,229
IS-18	Bill Baldry	Rate Case Expense	132,300
IS-19	Bill Baldry	Income Taxes	(163,306)

1

2 **Q. Are the adjustments presented above stated in terms of Empire's total**

3 **company operations or its Kansas-jurisdictional operations?**

4 A. Each of the adjustments presented above are presented in terms of Empire's

5 Kansas-jurisdictional operations. Each Staff witness first calculates the

6 adjustment based on Empire's total company operations in order to maintain

7 consistency with Empire's presentation in the Application and the way in which

8 Empire accounts for its expenses, plant, etc. (on a total company basis, not

9 separated by jurisdiction). The Staff witness then applies the Kansas-

10 jurisdictional allocation factor to each adjustment in order to produce a Kansas-

11 jurisdictional adjustment.

V. RATE BASE

A. Iatan and Plum Point Prudency Disallowance

Q. Please begin by discussing Staff's adjustments to rate base for the Iatan and Plum Point disallowance.

A. Staff's rate base adjustments for the Iatan and Plum Point disallowance are included as Components 1(a) and 2(a) to Staff Adjustment Nos. 1 (RB-1) and 2 (RB-2), respectively. The impact of these adjustments reduces plant in service by \$195,851 and increases accumulated depreciation by \$23,184.⁵

Q. Before explaining the calculation of Staff Adjustment Components RB-1(a) and RB-2(a), please provide the terms related to Iatan and Plum Point agreed to by Empire in Docket No. 11-EPDE-856-RTS (11-856 Docket).

A. Pursuant to the Stipulation and Agreement approved by the Commission in the 10-314 Docket, all prudence issues involving Empire relating to the construction of Iatan 1 Air Quality Control System (AQCS), Iatan 2 and Plum Point were to be deferred to its subsequent abbreviated rate case proceeding.⁶ In that abbreviated rate case proceeding (11-856 Docket), Empire agreed to cap the amount of the Kansas-jurisdictional share of plant allowed in rate base for the Iatan and Plum Point generation assets. More specifically, the Stipulation and Agreement attached to the Commission Order in the 11-856 Docket states:

...with respect to all prudence issues relating to Iatan 1 AQCS and Iatan 2 , the Parties agree that the rate base amount to be attributed to Iatan 1 AQCS, Iatan 2 and Plum Point through August 31, 2011, to reflect Empire's Kansas

⁵ See Exhibit ANJ-1.

⁶ *Order Approving Stipulation and Agreement*, 10-314 Docket, p. 30, ¶ 73 (June 23, 2010).

1 jurisdictional share of Iatan 1 AQCS, Iatan 2 and Plum Point shall be
2 \$23,143,000.⁷
3

4 **Q. Please explain how Staff calculated Adjustment Component RB-1(a) to plant**
5 **in service for the Iatan and Plum Point disallowance.**

6 A. Consistent with the Stipulation and Agreement approved in the 11-856 Docket,
7 Staff's adjustment reduces the balances for the respective Iatan and Plum Point
8 projects at August 31, 2011, to the capped amount allowed in base rates of
9 \$23,143,000, resulting in a reduction of \$255,255 to plant in service. In
10 comparison, Empire's adjustment incorrectly adjusts the plant balances as of
11 March 31, 2011. The impact of Staff's adjustment corrects Empire's agreed-upon
12 error of using the incorrect plant balances in its filing.⁸

13 **Q. Please explain how Staff calculated Adjustment Component RB-2(a) to**
14 **accumulated depreciation for the Iatan and Plum Point disallowance.**

15 A. Staff derived its adjustment using the same methodology Empire used to calculate
16 its pro forma adjustment to accumulated depreciation in Adjustment ADJ 1. First,
17 Staff derived depreciation expense associated with the Iatan and Plum Point
18 disallowance adjustment by applying the current depreciation rates effective
19 during the 11-856 Docket to Staff's plant adjustment based on plant balances as
20 of August 31, 2011.⁹ Staff then multiplied the depreciation expense adjustment

⁷ *Order Approving Stipulation and Agreement*, 11-856 Docket, Attachment 1, p. 4 (Dec. 21, 2011).

⁸ See Response to Data Request No. KCC-202 included in Exhibit ANJ-11.

⁹ It should be noted that while Staff's calculation of accumulated depreciation includes a depreciation expense calculation, Staff's actual depreciation expense related to the Iatan and Plum Point disallowance is reflected in Staff's adjustment to depreciation expense in Adjustment IS-4.

1 by the amount of years the assets have depreciated to derive its accumulated
2 depreciation adjustment.

3 **B. Common Property**

4 **Q. Please continue by discussing Staff's adjustments to rate base for common**
5 **property.**

6 A. Staff's rate base adjustments for common property are included as Components
7 1(b) and 2(b) to Staff Adjustments RB-1 and RB-2, respectively. The impact of
8 these adjustments reduces plant in service by \$8,739 and increases accumulated
9 depreciation by \$7,727.¹⁰

10 **Q. What is common property?**

11 A. Common property is the portion of certain general plant assets recorded on
12 Empire's electric utility books that provide services to other Empire entities.
13 Therefore, an adjustment is necessary to allocate a portion of the common general
14 plant to Empire's other entities' operations.

15 **Q. Please explain how Staff calculated Adjustment Component RB-1(b) to plant**
16 **in service for common property.**

17 A. Staff's adjustment allocates a portion of the common general plant to other
18 Empire entities based on a three-part formula, the Massachusetts formula.¹¹
19 Staff's adjustment uses the same methodology as Empire used in its pro forma
20 adjustment to common gas property with a few modifications. First, the

¹⁰ See Exhibit ANJ-2.

¹¹ The Massachusetts formula is a general allocation method used when neither direct nor indirect measures of cost causation can be found to charge a cost to a specific entity. This allocation is an arithmetic average of total company revenues, total company payroll, and net plant in service.

1 allocation used by Empire allocated a portion of common property to only its gas
2 and non-regulated fiber utilities whereas Staff's allocation reflects all Empire
3 entities sharing the common property, including its water, gas, fiber and non-
4 utility operations.¹² Additionally, Staff's adjustment updates both common
5 property plant and the balances used to calculate the Massachusetts formula
6 allocation through January 31, 2019.

7 **Q. Please explain how Staff calculated Adjustment Component RB-2(b) to**
8 **accumulated depreciation for common property.**

9 A. Staff derived its adjustment using the same methodology Empire used to calculate
10 its pro forma adjustment to accumulated depreciation for common gas property in
11 Adjustment ADJ 2. However, consistent with Staff's Adjustment Component
12 RB-1(b), this adjustment reflects updated reserve balances as of January 31, 2019,
13 as well as Staff's updated allocation factor.

14 **C. Transmission Delivery Charge**

15 **Q. Please continue by discussing Staff Adjustment No. 3 to rate base.**

16 A. Staff Adjustment No. 3 (RB-3) reduces rate base by \$280,552.¹³ This adjustment
17 removes the transmission cost components from base rates that are reflected in
18 Empire's transmission formula rate (TFR). Staff's adjustment corrects Empire's
19 pro forma adjustment to remove transmission from rate base and also removes the
20 transmission cost components from Staff adjustments.

¹² See Response to Data Request No. KCC-290 included in Exhibit ANJ-11. Upon inquiry, Empire agreed with Staff that a portion of common property should have also been allocated to the water and non-utility entities as well.

¹³ See Exhibit ANJ-4.

1 **Q. Please explain the difference in methodologies Staff and Empire used to**
2 **calculate the removal of transmission-related costs from base rates.**

3 A. Empire calculated its pro forma adjustment by removing the exact level of costs
4 currently reflected in its TFR for each cost component impacted by the TDC.
5 Furthermore, because the currently effective TFR is based on the historical year
6 ending December 31, 2017, Empire also made adjustments for various timing
7 differences in an attempt to capture and remove additional pro forma test year
8 cost levels. In contrast, rather than basing its adjustments on the TFR dollar
9 amounts, Staff based its adjustment on the TFR allocations. In doing so, Staff
10 applied the same direct assignment and allocation percentages as reflected in
11 Empire's TFR to remove the transmission-related costs that would be recovered
12 through the application of the TFR from Empire's pro forma test year amounts
13 and Staff's adjustments.

14 **Q. What components of rate base does Staff Adjustment RB-3 capture?**

15 A. Staff Adjustment RB-3 reflects the removal of transmission-related costs from
16 ADIT, prepayments, and materials and supplies. The effects of the transmission
17 cost removal from plant in service and accumulated depreciation are included as
18 Components 1(c) and 2(c) to Staff Adjustments RB-1 and RB-2, respectively, and
19 are calculated using Staff's methodology as explained above. The impact of these
20 TDC adjustments to plant in service and accumulated depreciation is a net rate
21 base reduction of \$395,404.¹⁴ The calculation of Staff's other rate base
22 transmission removal is depicted in the attached Exhibits ANJ-4 through ANJ-

¹⁴ See Exhibit ANJ-3.

1 4(f). Additionally, the related income statement adjustment and TDC are
2 discussed at length below.

3 **VI. INCOME STATEMENT**

4 **A. Property Taxes**

5 **Q. Please continue by discussing Staff Adjustment No. 2 to the income**
6 **statement.**

7 A. Staff Adjustment No. 2 (IS-2) to the income statement decreases operating
8 expense by \$6,394.¹⁵ Staff's adjustment removes the property taxes associated
9 with its various adjustments to plant in service and also reverses out Empire's pro
10 forma adjustment to property taxes for construction work in progress (CWIP).

11 **Q. Please provide more detail for each component of Staff's adjustment to**
12 **property taxes.**

13 A. Staff's adjustment is comprised of the following three components:

- 14 ▪ **Iatan and Plum Point** – Staff's adjustment removes the property taxes
15 related to Adjustment Component RB-1(a) for the Iatan and Plum Point
16 disallowance. This portion of the adjustment is calculated using the same
17 methodology Empire used in its pro forma Adjustment ADJ 1 but is based
18 on plant balances as of August 31, 2011, rather than March 31, 2011.
- 19 ▪ **Common Property** – Staff's adjustment removes property taxes related to
20 Adjustment Component RB-1(b) to common property. Staff calculated

¹⁵ See Exhibit ANJ-5.

1 this portion of the adjustment by applying a property tax rate of 1.12% to
2 its adjustment to common property.¹⁶

3 ▪ **CWIP** – Staff’s adjustment reverses out Empire’s pro forma adjustment to
4 property taxes related to CWIP additions. Empire currently implements
5 an AVTS rider that incorporates the yearly changes to property tax
6 expense through an annual true-up; therefore, Staff is recommending the
7 removal of Empire’s adjustment for property taxes related to CWIP
8 additions. This component of the adjustment is discussed in greater detail
9 in the testimony of Staff witness Chad Unrein.

10 **Q. Did Empire also make a corresponding pro forma adjustment to property**
11 **taxes for common plant?**

12 A. No. However, because the common assets are shared by the Company’s other
13 entities, it would be inappropriate for Empire to recover the full amount of
14 property taxes related to these shared assets solely from its electric service
15 ratepayers. Therefore, Staff recommends a corresponding adjustment to remove
16 the property taxes associated with the portion of common plant removed from the
17 cost of service.

18 **Q. Is there any additional comments Staff would like to make regarding**
19 **property taxes?**

20 A. Yes. Staff’s adjustment to remove the property tax impacts of the Iatan and Plum
21 Point disallowance and common property is reflected in its recommended cost of
22 service for base rates. However, in order to reflect this impact going forward,

¹⁶ The property tax rate of 1.12% is based on Empire’s estimated 2018 property tax liability divided by total taxable plant.

1 Staff recommends the removal of property taxes related to these plant items also
2 be reflected in the annual AVTS true-up calculation. Additionally, this concept
3 should also apply to the removal of transmission-related property taxes reflected
4 in Staff Adjustment IS-5, which is discussed in greater detail below.

5 **B. Amortizations**

6 **Q. Please continue by discussing Staff Adjustment No. 3 to the income**
7 **statement.**

8 A. Staff Adjustment No. 3 (IS-3) to the income statement decreases operating
9 expense by \$109,705.¹⁷ The purpose of Staff's adjustment is twofold: (1) to re-
10 amortize the amortization expense of the 2007 ice storms included in the test year;
11 and (2) to exclude various amortizations included in the test year that are related
12 solely to Missouri-jurisdictional customers.

13 **Q. Please provide a more detailed explanation of the component of Staff's**
14 **adjustment related to the 2007 ice storms.**

15 A. In January 2007 and again in December 2007, large winter ice storms inflicted
16 significant damage on Empire's transmission and distribution systems. In
17 response, Empire filed an Application seeking an accounting authority order from
18 the Commission to defer the Kansas portion of the non-capital costs associated
19 with these extraordinary events for recovery in its next general rate case. As a
20 result, in Docket No. 08-EPDE-714-ACT (08-714 Docket), the Commission
21 issued an Order allowing Empire to establish a regulatory asset created by the

¹⁷ See Exhibit ANJ-6.

1 deferral of those costs.¹⁸ These costs were to be amortized over a ten-year period
2 and carrying costs were to be applied commencing January 1, 2008.

3 The impact of the ice storm deferral, including both the deferred costs and
4 respective carrying costs, was subsequently included in the revenue requirement
5 in the 10-314 Docket. Consistent with the terms of the Commission Order in the
6 08-714 Docket, the ten-year amortization of these costs is set to end June 30,
7 2020.¹⁹ Because these amortizations will end less than one year after rates
8 become effective in the current case, it would be inappropriate for Empire to
9 continue to receive full recovery of these amounts annually from customers until
10 rates change in its next general rate case. Therefore, Staff's adjustment updates
11 the balances of the regulatory assets related to the ice storm deferred costs and
12 carrying costs as of September 1, 2019, coinciding with the time that rates will be
13 effective in the current case, and amortizes the remaining balances over five
14 years. Staff then compared the updated amortization amounts to the annual
15 amortization amounts included in the test year, with the difference being Staff's
16 adjustment.

17 **C. Depreciation and Amortization Expense**

18 **Q. Please continue by discussing Staff Adjustment No. 4 to the income**
19 **statement.**

¹⁸ *Order Approving Application for Accounting Order*, 08-714 Docket (June 24, 2008).

¹⁹ See Response to Data Request No. KCC-79 included in Exhibit ANJ-11.

1 A. Staff Adjustment No. 4 (IS-4) to the income statement decreases operating
2 expense by \$459,988.²⁰ Staff's adjustment is comprised of the following two
3 components:

4 ▪ **Depreciation Expense** – Staff's adjustment updates depreciation expense
5 to reflect Staff's adjusted depreciable plant assets as of January 31, 2019.²¹
6 Then, Staff multiplied its adjusted depreciable plant by Staff's
7 recommended depreciation rates, found in Staff witness Roxie McCullar's
8 depreciation study, to yield an updated annualized depreciation expense
9 for each plant account.²² Staff's annualized depreciation expense was then
10 compared against the pro forma annualized depreciation expense amount
11 proposed by Empire, with the difference being Staff's adjustment.

12 ▪ **Amortization Expense** – Staff's adjustment updates amortization expense
13 for intangible plant by comparing actual amortization expense for the 12-
14 months ending January 31, 2019, against the pro forma amortization
15 expense amount in Empire's Application, with the difference being Staff's
16 adjustment.

17 Updating Empire's depreciation and amortization expense is appropriate as it
18 reflects actual, known and measurable balances as of January 31, 2019.

19 Therefore, the updated test year data is more representative of the Company's
20 ongoing, normal operations. Moreover, the process of updating the Company's

²⁰ See Exhibit ANJ-7.

²¹ See Exhibit CCU-1 for a detailed calculation of Staff's Kansas-jurisdictional adjusted depreciable plant assets. It should be noted that the adjusted depreciable plant balances reflect Staff's adjustments for the removal of the Iatan and Plum Point prudency disallowance, the removal of common property, and the removal of the portion of plant in service recovered through the TDC.

²² See Exhibit RMM-1 for Staff's proposed depreciation rates.

1 pro forma income statement adjustments using known and measurable data is
2 supported by past Commission Orders.

3 **D. Transmission Delivery Charge**

4 **Q. Please continue by discussing Staff Adjustment No. 5 to the income**
5 **statement.**

6 A. Staff Adjustment No. 5 (IS-5) to the income statement increases operating
7 expense by \$60,312.²³ This adjustment reflects the income statement effect of the
8 transmission removal from Empire's pro forma test year and Staff adjustments.²⁴
9 Consistent with Staff's corresponding rate base Adjustment RB-3, this adjustment
10 uses the same direct assignment and allocation percentages as reflected in
11 Empire's TFR to remove the transmission-related costs from Staff adjustments to
12 O&M expenses, A&G expenses, and taxes other than income taxes that will be
13 recovered through the TFR. The calculation of Staff's TDC adjustment to the
14 income statement is depicted in the attached Exhibits ANJ-8 through ANJ-8(e).

15 **VII. TRANSMISSION DELIVERY CHARGE RIDER**

16 **Q. What is a TDC rider?**

17 A. The TDC rider is a mechanism used to allow utilities the opportunity to recover
18 transmission-related costs associated with service to their Kansas-jurisdictional

²³ See Exhibit ANJ-8.

²⁴ Staff's adjustment is based on the removal of transmission-related costs. This adjustment is an increase due to the amount of the transmission-related portion of Staff's adjustments that decrease Empire's income statement. When Staff applies the transmission allocation to remove the transmission-related costs of account balances that have decreased, the result is an increase. It should be noted that the net of Empire's and Staff's adjustments to remove transmission costs result in a decrease.

1 customers in a more timely fashion than a general rate case. Empire is requesting
2 the TDC rider pursuant to K.S.A. 66-1237(a), which states:

3 Any electric utility subject to the regulation of the state corporation
4 commission pursuant to K.S.A. 66-101, and amendments thereto, may seek to
5 recover costs associated with transmission of electric power, in a manner
6 consistent with the determination of transmission-related costs from an order
7 of a regulatory authority having legal jurisdiction, through a separate
8 transmission delivery charge included in customers' bills. The electric
9 utility's initial transmission delivery charge resulting from this section may be
10 determined by the commission either from transmission-related costs
11 approved in the electric utility's most recent retail rate filing or in an order
12 establishing rates in response to a general retail rate application by an electric
13 utility.
14

15 **Q. Is Empire the first Kansas utility to make use of K.S.A. 66-1237 to allow for**
16 **implementation of a TDC rider?**

17 A. No. Westar Energy, Inc. (Westar) and Kansas City Power & Light Company
18 (KCP&L) both currently have a TDC rider.

19 **Q. Why is Empire requesting a TDC rider?**

20 A. Empire is seeking a TDC rider to assist with the more timely recovery of costs
21 associated with its transmission investment. Empire's investment in the Bulk
22 Electric System (BES) enables a more reliable and economic delivery of power.
23 However, while the benefits of these investments are passed on to Kansas retail
24 customers almost immediately, the cost recovery of these investments lag
25 considerably. A TDC rider is a statutorily-approved mechanism that is designed
26 to mitigate the effects of such regulatory lag.

27 **Q. Please briefly describe Empire's proposed TDC rider.**

28 A. Currently, a portion of the revenue requirement associated with Empire's
29 transmission costs is bundled with its retail base rates. Empire proposes to

1 remove the transmission component from its retail base rates and then recover
2 these transmission-related costs, instead, through a TDC rider. By implementing
3 the TDC rider as a separate tariff, Empire will unbundle transmission-related cost
4 of service for Kansas retail customers and collect all transmission-associated
5 revenue requirements through a distinct charge on customers' bills.

6 **Q. What are the components that make up the transmission-related costs**
7 **recovered through the TDC rider?**

8 A. Empire incurs a variety of costs related to its investment in the transmission
9 system. This investment includes costs for both facilities that are owned and
10 maintained by the Company as well as costs to utilize facilities that are
11 constructed and maintained by others but that are socialized to Empire as directed
12 by the transmission cost allocation directives of the Open Access Transmission
13 Tariff (OATT) administered by the Southwest Power Pool (SPP) and the
14 Midcontinent Independent System Operator (MISO).²⁵ Empire's owned
15 transmission assets, though under the functional control of SPP, are recovered
16 through Schedule 9 as calculated by its TFR approved by the Federal Energy
17 Regulatory Commission (FERC). Transmission expansion that is constructed
18 according to SPP and MISO's prescribed requirements are collected through a
19 socialization of Annual Transmission Revenue Requirements (ATRR) via
20 Schedule 11 and Schedule 26, respectively. Furthermore, like most SPP load
21 serving entities, Empire is a Network Integration Transmission Service (NITS)

²⁵ Due to the Plum Point generation facility's physical footprint laying in MISO South territory, the unit must be pseudo tied out of MISO which requires Empire to obtain point-to-point service for the delivery of energy into SPP.

1 customer. Under the NITS Agreement with SPP, Empire also incurs additional
2 zonal and region-wide charges associated with purchasing transmission service on
3 behalf of its native load.

4 **Q. What basis does Empire propose to use to determine its retail transmission-**
5 **related costs for inclusion in its TDC rider?**

6 A. The costs included in the proposed TDC rider would be calculated on the basis of:
7 (1) Empire's FERC-approved TFR to support the costs incurred from its owned
8 facilities; and (2) transmission statements received from both SPP and MISO to
9 support the recovery of transmission-related expenses not relating to transmission
10 facilities owned by the Company.

11 **Q. Please provide more detail of the transmission-related costs Empire proposes**
12 **to be recovered through the TDC rider.**

13 A. Empire proposes to collect a TDC based on all transmission-related costs incurred
14 to be recovered under the following schedules of the OATT offered by SPP and
15 MISO for service to Empire's retail customers:

16 SPP:

- 17 ■ Schedule 1A – Tariff Administration
- 18 ■ Schedule 1 – Scheduling, System Control and Dispatch Service
- 19 ■ Schedule 9 – Network Integration Transmission Service²⁶
- 20 ■ Schedule 10 – Wholesale Distribution Service
- 21 ■ Schedule 11 – Base Plan Charge
- 22 ■ Schedule 12 – FERC Assessment Charge
- 23 ■ Monthly Assessment Charge

24 MISO:

- 25 ■ Schedule 1 – Scheduling, System Control and Dispatch Service
- 26 ■ Schedule 2 – Reactive Supply and Voltage Control
- 27 ■ Schedule 7 – Long-Term Firm and Short-Term Firm Point-To-Point
- 28 ■ Schedule 10 – DERC Annual Charges Recovery
- 29 ■ Schedule 11 – Wholesale Distribution Service

²⁶ The cost to be recovered under Schedule 9 would exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades.

- 1 ▪ Schedule 26 – Network Upgrade Charge From Transmission Expansion
- 2 Plan
- 3 ▪ Schedule 33 – Blackstart Service
- 4 ▪ Schedule 45 – Cost Recovery of NERC Recommendation or Essential
- 5 Action
- 6

7 In addition, Empire proposes to include other non-SPP or non-MISO
8 transmission-related charges recorded to FERC Account 565 (Transmission of
9 Electricity by Others), fees charged to the Company by the North American
10 Electric Reliability Council (NERC), and other transmission revenue
11 requirements not otherwise reflected in and recoverable through base rates or
12 other Commission-authorized rider mechanisms.

13 **Q. How does Empire propose to allocate the transmission expenses recovered**
14 **through the TDC rider to various customer classes?**

15 A. Empire proposes to allocate the TDC rider charges based on the 12-coincident
16 peak (12-CP) allocation methodology used for class cost allocation in its most
17 recent rate case. Once the costs are allocated to the appropriate class, the TDC
18 unit charge would then be applied to each applicable customer's bill. The TDC
19 unit charge is developed for each Kansas retail customer class and is implemented
20 using a per kilowatt hour (\$/kWh) charge. The over/under recovery balance of
21 the TDC rider would then be netted during the next annual update.

22 **Q. How does Empire propose to true-up TDC rider recovery to actual costs?**

23 A. Empire proposes a mechanism to true-up the revenue recovered through the TDC
24 rider to actuals similar to the KCP&L TDC true-up mechanism approved by the
25 Commission in Docket No. 15-KCPE-116-RTS. The proposed true-up
26 mechanism would compare the actual TDC-related costs authorized by the

1 Commission to be recovered during the TDC year and the actual TDC revenues
2 from Kansas retail sales during the TDC year, with the difference then applied to
3 the amount included in the calculation of the TDC rate for the following TDC
4 year.

5 **Q. When does Empire propose the TDC rider go into effect?**

6 A. Empire proposes to begin billing its retail customers under the TDC rider
7 immediately following approval of the rider in this rate case. Each year
8 thereafter, the TDC rider would be updated accordingly to become effective July
9 1st in attempt to sync up recovery of the costs with its annual TFR filings.²⁷

10 **Q. Did Staff perform a review of Empire's proposed TDC?**

11 A. Yes. Staff reviewed the TDC in light of K.S.A. 66-1237(b)(2), which states:
12 If an electric utility proposes to establish its initial transmission delivery
13 charge in connection with an application to the commission for a general retail
14 rate change, the commission shall, in its order in such rate proceeding,
15 determine the electric utility's transmission-related costs related to its service
16 to Kansas retail customers and determine an initial transmission delivery
17 charge sufficient to permit the electric utility to recover from its Kansas retail
18 customers such utility's transmission-related costs incurred to provide service
19 to such customers.
20

21 **Q. Does Staff recommend any changes to the TDC amount proposed to be**
22 **collected through Empire's proposed TDC rider?**

23 A. Yes. Staff recommends a revised annual TDC revenue requirement of
24 \$2,708,470.²⁸ Staff's revised amount reflects changes made to the following:

²⁷ Empire's TFR is updated with FERC annually in July based on costs incurred in the prior calendar year.

²⁸ See Exhibit ANJ-9.

- 1 ▪ **Allocations** – Staff changed Empire’s proposed TFR allocations to reflect
2 the 12-CP allocation of 4.84%.²⁹ This methodology is consistent with
3 how both the Company allocates costs in its class cost of service model
4 and how SPP allocates most transmission charges for NITS customers.
5 The impact of the change in allocation reduces Empire’s proposed TDC
6 revenue requirement by \$22,356.
- 7 ▪ **Calculation Errors** – Staff’s revised revenue requirement corrects two
8 errors contained in Empire’s revenue requirement calculation. First, Staff
9 corrected the input of a revenue adjustment that was inadvertently entered
10 from the TFR as a negative amount in Empire’s calculation of operating
11 expense. Second, in reviewing the TFR, it was discovered that the
12 Investment Tax Credit (ITC), a reduction to income tax expense, was
13 being added to total income tax.³⁰ Staff has corrected this error by
14 subtracting the ITC from tax expense from its calculation. The result of
15 correcting these two errors decreases the TDC revenue requirement by
16 \$435,541.

17 **Q. Does Staff recommend any changes to the TDC tariff proposed by Empire?**

18 A. Yes. Staff recommends several changes to Empire’s proposed TDC tariff and
19 true-up mechanism. During the course of Staff’s review, Staff had several
20 meetings with Empire to discuss certain concerns with the Company’s proposed

²⁹ This allocation represents the portion of total company transmission plant allocated to Kansas-jurisdictional retail customers. In contrast, Empire allocated its TFR to Kansas-jurisdictional customers based on each component of the TFR, which sometimes results in allocators other than the 12-CP, rather than using the allocation related to transmission plant.

³⁰ See Response to Data Request No. KCC-332 included in Exhibit ANJ-11.

1 TDC tariff and true-up mechanism. As a result, Empire has agreed to revise its
2 tariff to reflect Staff's suggested revisions.³¹ The revisions include the following:

- 3 ■ Modifications to the TDC calculation to incorporate Empire's ATRR as
4 provided in the Revenue Requirements and Rates (RRR) filing published by
5 SPP.³² In doing so, Empire would include the amount allocated to Kansas
6 retail sales for the zonal and regional Schedule 9 and Schedule 11 ATRR
7 applicable to the Empire zone based on the RRR currently effective at the
8 time of filing its TDC rate update. Basing the TDC calculation on information
9 contained in the RRR file is consistent with the data used in the TDC true-up
10 mechanisms implemented by both KCP&L and Westar.
- 11 ■ Allocating the Kansas retail sales based on the Company's native system
12 portion of the Empire zone Load Ratio Share (LRS).
- 13 ■ Allocating both the Schedule 9 and Schedule 11 amounts for the native system
14 portion of the LRS to Kansas retail sales based on a 12-CP demand allocator.
15 Using the 12-CP is consistent with Staff's recommendation to change the
16 allocation in the TDC revenue requirement to 12-CP and is also the basis of
17 the rate design allocation.

18 After a Commission Order is issued in this proceeding, Staff recommends Empire
19 file compliance tariffs to update its TDC tariff and true-up provisions to be
20 consistent with the recommendations listed above and the final Commission
21 Order.

³¹ See Exhibit ANJ-10.

³² Empire uses its FERC-approved TFR to populate the ATRR necessary to cover the cost of its transmission system. The RRR file contains all of the revenue requirements and associated rates for all of the SPP member entities and is used to establish rates for transmission service.

1 **Q. Does Staff have any further recommendations regarding the implementation**
2 **of the TDC?**

3 A. Yes. Staff recommends Empire file a revised updated TDC in this docket prior to
4 when rates become effective. As previously stated, Empire's TFR is updated
5 annually in July which allows sufficient time for Empire to update its TDC in this
6 case before the Commission Order is due.³³ In doing so, Empire will need to file
7 its update within a week of receiving its new formula rates and RRR filing from
8 SPP in order to allow Staff ample time to perform its review of the updated TDC
9 calculation.

10 **Q. Why does Staff recommend updating the TDC before implementation of the**
11 **TDC rider?**

12 A. On December 22, 2017, the TCJA was signed into law, which, amongst other
13 changes, reduced the federal corporate income tax rate from 35% to 21%
14 beginning on January 1, 2018.³⁴ Currently Empire's proposed TDC is calculated
15 based on costs from the historical year ending December 31, 2017. As such, the
16 proposed TDC included in the filing does not reflect the reduced tax rate resulting
17 from the implementation of the TCJA. Absent Staff's recommendation to update
18 the TDC, Empire's reduced 2018 ATRR would not be reflected in the TDC until
19 the 2018 TDC true-up is incorporated in the 2019 TDC update filed in 2020.
20 Therefore, in order to reflect the reduction in the ATRR related to the TCJA more
21 expeditiously, the TDC should be updated prior to rates becoming effective in this
22 rate case. Furthermore, in addition to updating the TDC to reflect the year ending

³³ *Order Establishing Procedural Schedule*, 19-223 Docket, p. 3 (Jan. 29, 2019).

³⁴ *Tax Cuts and Jobs Act*, Public Law No. 115-97; Statute 131 Stat. 2054 (Dec. 22, 2017).

1 December 31, 2018, the calculation should also include all Staff recommended
2 revisions listed above.

3 **VIII. CONCLUSION**

4 **Q. Does this conclude your testimony?**

5 A. Yes, thank you.

6

7 **EXHIBITS**

8	Exhibit ANJ-1	Staff Adjustment to Iatan and Plum Point Prudency
9		Disallowance
10	Exhibit ANJ-2	Staff Adjustment to Common Property
11	Exhibit ANJ-3	Staff Adjustment to Plant in Service and Accumulated
12		Depreciation for Transmission Delivery Charge
13	Exhibit ANJ-4	Staff Adjustment to Transmission Delivery Charge (RB)
14	Exhibit ANJ-5	Staff Adjustment to Property Taxes
15	Exhibit ANJ-6	Staff Adjustment to Amortizations
16	Exhibit ANJ-7	Staff Adjustment to Depreciation and Amortization Expense
17	Exhibit ANJ-8	Staff Adjustment to Transmission Delivery Charge (IS)
18	Exhibit ANJ-9	Staff's Revised Transmission Delivery Charge Calculation
19	Exhibit ANJ-10	Revised Transmission Delivery Charge Tariff
20	Exhibit ANJ-11	Empire Responses to Staff Data Requests

The Empire District Electric Company
Staff Adjustment to Iatan and Plum Point Prudency Disallowance
Rate Base Adjustment Component Nos. 1(a) and 2(a)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Staff Adjustment	Empire Adjustment	Total Impact of Staff Adjustment
<u>Plant in Service (RB-1)</u>					
1	303	Plum Point	(1,894)	(284)	(1,611)
2	311	Structures and Improvements	(32,288)	(8,975)	(23,314)
3	312	Boiler Plant Equipment	(148,976)	(30,689)	(118,287)
4	314	Turbogenerator Units	(16,302)	(3,861)	(12,441)
5	315	Accessory Electric Equipment	(15,255)	(5,107)	(10,148)
6	316	Misc Power Plant Equipment	(40,540)	(10,488)	(30,051)
7		Staff Adjustment to Plant in Service for Iatan and Plum Point Prudency	(255,255)	(59,404)	<u>(195,851)</u>
<u>Accumulated Depreciation (RB-2)</u>					
8	303	Plum Point	-	-	-
9	311	Structures and Improvements	2,339	690	1,649
10	312	Boiler Plant Equipment	19,240	4,195	15,045
11	314	Turbogenerator Units	1,805	451	1,353
12	315	Accessory Electric Equipment	1,887	669	1,218
13	316	Misc Power Plant Equipment	5,402	1,483	3,919
14		Staff Adjustment to Accumulated Depreciation for Iatan and Plum Point Prudency	30,672	7,488	<u>23,184</u>

Note:

The purpose of this exhibit is to show the impact of the component of Staff Adjustments to Plant in Service (RB-1) and Accumulated Depreciation (RB-2) related to the Iatan and Plum Point prudency disallowance in comparison to Empire's respective Adjustment ADJ 1 reflected in its Application.

Source: Exhibits ANJ-1(a) and ANJ-1(b)

The Empire District Electric Company
Staff Calculation of Iatan and Plum Point Prudency Disallowance
Rate Base Adjustment Component Nos. 1(a) and 2(a)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Plant Ending Balance August 31, 2011	Kansas Allocation	Kansas Jurisdictional Ending Balance August 31, 2011	Kansas Balance Per Commission Order	Staff Plant Adjustment	Depreciation Rate	Staff Calculated Depreciation Expense	Years of Depreciation	Staff Accumulated Depreciation Adjustment	Property Tax Rate	Staff Property Tax Adjustment
<u>Production Plant - Iatan 1 - AQCS</u>													
1	311	Structures and Improvements		5.65%	-	-	-	1.06%	-	6.83	-	1.12%	-
2	312	Boiler Plant Equipment	42,900,945	5.65%	2,422,702	2,396,273	(26,430)	1.89%	(500)	6.83	3,413	1.12%	(295)
3	315	Accessory Electric Equipment	1,329,721	5.65%	75,092	74,273	(819)	1.81%	(15)	6.83	101	1.12%	(9)
4	316	Misc Power Plant Equipment		5.65%	-	-	-	1.95%	-	6.83	-	1.12%	-
<u>Production Plant - Iatan 2</u>													
5	311	Structures and Improvements	22,119,594	5.65%	1,249,138	1,235,511	(13,627)	1.06%	(144)	6.83	987	1.12%	(152)
6	312	Boiler Plant Equipment	99,077,892	5.65%	5,595,127	5,534,089	(61,038)	1.89%	(1,154)	6.83	7,883	1.12%	(681)
7	314	Turbogenerator Units	16,511,991	5.65%	932,465	922,293	(10,172)	1.62%	(165)	6.83	1,126	1.12%	(113)
8	315	Accessory Electric Equipment	16,467,366	5.65%	929,945	919,800	(10,145)	1.81%	(184)	6.83	1,255	1.12%	(113)
9	316	Misc Power Plant Equipment	58,503,538	5.65%	3,303,812	3,267,770	(36,042)	1.95%	(703)	6.83	4,803	1.12%	(402)
<u>Production Plant - Iatan 1 and 2 Common</u>													
10	311	Structures and Improvements		5.65%	-	-	-	1.06%	-	6.83	-	1.12%	-
11	312	Boiler Plant Equipment	52,237,712	5.65%	2,949,968	2,917,786	(32,182)	1.89%	(608)	6.83	4,156	1.12%	(359)
12	315	Accessory Electric Equipment		5.65%	-	-	-	1.81%	-	6.83	-	1.12%	-
13	316	Misc Power Plant Equipment	431,333	5.65%	24,358	24,093	(266)	1.95%	(5)	6.83	35	1.12%	(3)
<u>Production Plant - Plum Point</u>													
14	303	Plum Point	3,075,073	5.65%	173,656	171,761	(1,894)	0.00%	-	6.83	-	1.12%	(21)
15	311	Structures and Improvements	30,290,872	5.65%	1,710,586	1,691,925	(18,661)	1.06%	(198)	6.83	1,352	1.12%	(208)
16	312	Boiler Plant Equipment	47,603,309	5.65%	2,688,254	2,658,928	(29,327)	1.89%	(554)	6.83	3,788	1.12%	(327)
17	314	Turbogenerator Units	9,949,668	5.65%	561,878	555,748	(6,130)	1.62%	(99)	6.83	679	1.12%	(68)
18	315	Accessory Electric Equipment	6,964,768	5.65%	393,314	389,024	(4,291)	1.81%	(78)	6.83	531	1.12%	(48)
19	316	Misc Power Plant Equipment	6,869,958	5.65%	387,960	383,728	(4,232)	1.95%	(83)	6.83	564	1.12%	(47)
20	Total		<u>414,333,741</u>		<u>23,398,255</u>	<u>23,143,000</u>	<u>(255,255)</u>		<u>(4,489)</u>		<u>30,672</u>		<u>(2,847)</u>

Source: Response to Data Request No. KCC-202

The Empire District Electric Company
Empire Calculation of Iatan and Plum Point Prudency Disallowance
Rate Base Adjustment Component Nos. 1(a) and 2(a)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Plant Ending Balance March 31, 2011	Kansas Allocation	Kansas Jurisdictional Ending Balance March 31, 2011	Kansas Balance Per Commission Order	Empire Plant Adjustment	Depreciation Rate	Empire Depreciation Expense Adjustment	Years of Depreciation	Empire Accumulated Depreciation Adjustment	Property Tax Rate	Empire Property Tax Adjustment
<u>Production Plant - Iatan 1 - AOCS</u>													
1	311	Structures and Improvements	4,567,598	5.65%	257,941	257,281	(660)	1.06%	(7)	7.25	51	1.12%	(7)
2	312	Boiler Plant Equipment	27,494,283	5.65%	1,552,657	1,548,682	(3,975)	1.89%	(75)	7.25	545	1.12%	(44)
3	315	Accessory Electric Equipment	6,873,571	5.65%	388,164	387,170	(994)	1.81%	(18)	7.25	130	1.12%	(11)
4	316	Misc Power Plant Equipment	5,410,165	5.65%	305,523	304,741	(782)	1.95%	(15)	7.25	111	1.12%	(9)
<u>Production Plant - Iatan 2</u>													
5	311	Structures and Improvements	22,528,077	5.65%	1,272,206	1,268,948	(3,257)	1.06%	(35)	7.25	250	1.12%	(36)
6	312	Boiler Plant Equipment	100,738,758	5.65%	5,688,919	5,674,354	(14,565)	1.89%	(275)	7.25	1,996	1.12%	(162)
7	314	Turbogenerator Units	16,789,793	5.65%	948,153	945,726	(2,427)	1.62%	(39)	7.25	285	1.12%	(27)
8	315	Accessory Electric Equipment	16,789,793	5.65%	948,153	945,726	(2,427)	1.81%	(44)	7.25	319	1.12%	(27)
9	316	Misc Power Plant Equipment	55,682,604	5.65%	3,144,508	3,136,457	(8,051)	1.95%	(157)	7.25	1,138	1.12%	(90)
<u>Production Plant - Iatan 1 and 2 Common</u>													
10	311	Structures and Improvements	4,403,478	5.65%	248,673	248,037	(637)	1.06%	(7)	7.25	49	1.12%	(7)
11	312	Boiler Plant Equipment	36,826,038	5.65%	2,079,640	2,074,316	(5,324)	1.89%	(101)	7.25	730	1.12%	(59)
12	315	Accessory Electric Equipment	4,736,905	5.65%	267,502	266,818	(685)	1.81%	(12)	7.25	90	1.12%	(8)
13	316	Misc Power Plant Equipment	4,736,905	5.65%	267,502	266,818	(685)	1.95%	(13)	7.25	97	1.12%	(8)
<u>Production Plant - Plum Point</u>													
14	303	Plum Point	1,962,466	5.65%	110,824	110,541	(284)	0.00%	-	7.25	-	1.12%	(3)
15	311	Structures and Improvements	30,573,147	5.65%	1,726,527	1,722,106	(4,420)	1.06%	(47)	7.25	340	1.12%	(49)
16	312	Boiler Plant Equipment	47,202,459	5.65%	2,665,617	2,658,793	(6,825)	1.87%	(128)	7.25	925	1.12%	(76)
17	314	Turbogenerator Units	9,915,615	5.65%	559,955	558,521	(1,434)	1.60%	(23)	7.25	166	1.12%	(16)
18	315	Accessory Electric Equipment	6,920,273	5.65%	390,802	389,801	(1,001)	1.79%	(18)	7.25	130	1.12%	(11)
19	316	Misc Power Plant Equipment	6,713,698	5.65%	379,136	378,165	(971)	1.95%	(19)	7.25	137	1.12%	(11)
20	Total		<u>410,865,627</u>		<u>23,202,404</u>	<u>23,143,000</u>	<u>(59,404)</u>		<u>(1,033)</u>		<u>7,488</u>		<u>(663)</u>

Source: Empire Pro Forma Adjustment ADJ 1 Workpaper

The Empire District Electric Company
Staff Adjustment to Common Property
Rate Base Adjustment Component Nos. 1(b) and 2(b)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Staff Adjustment	Empire Adjustment	Total Impact of Staff Adjustment
		<u>Plant in Service (RB-1)</u>			
1	389	Land and Land Rights	(3,059)	(2,869)	(190)
2	390	Structures and Improvements	(35,885)	(32,704)	(3,180)
3	391.1	Office Furniture and Equipment	(17,209)	(15,958)	(1,250)
4	391.3	Computer	(42,299)	(39,417)	(2,882)
5	397	Communication Equipment	(18,864)	(17,683)	(1,181)
6	398	Misc. Equipment	(623)	(568)	(55)
7		Staff Adjustment to Plant in Service for Common Property	(117,939)	(109,200)	<u>(8,739)</u>
		<u>Accumulated Depreciation (RB-2)</u>			
8	389	Land and Land Rights	-	-	-
9	390	Structures and Improvements	21,658	19,803	1,854
10	391.1	Office Furniture and Equipment	7,374	6,507	868
11	391.3	Computer	35,317	31,525	3,792
12	397	Communication Equipment	11,366	10,179	1,187
13	398	Misc. Equipment	447	421	26
14		Staff Adjustment to Accumulated Depreciation for Common Property	76,162	68,435	<u>7,727</u>

Note:

The purpose of this exhibit is to show the impact of the component of Staff Adjustments to Plant in Service (RB-1) and Accumulated Depreciation (RB-2) related to common property in comparison to Empire's respective Adjustment ADJ 2 reflected in its Application.

Source: Exhibits ANJ-2(a) and ANJ-2(b)

The Empire District Electric Company
Staff Calculation of Common Property
Rate Base Adjustment Component Nos. 1(b) and 2(b)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Common Plant Balance as of January 31, 2019	Common Reserve Balance as of January 31, 2019	Mass Rate	Non-Electric Plant in Service Adjustment	Non-Electric Accum Depreciation Adjustment	Kansas Allocator	Staff Common Property Plant in Service Adjustment	Staff Common Property Accum Depreciation Adjustment
1	389	Land and Land Rights	959,083	-	6.36%	(60,999)	-	5.01%	(3,059)	-
2	390	Structures and Improvements	11,250,520	6,790,039	6.36%	(715,549)	431,856	5.01%	(35,885)	21,658
3	391.1	Office Furniture and Equipment	5,395,227	2,312,035	6.36%	(343,144)	147,049	5.01%	(17,209)	7,374
4	391.3	Computer	13,261,524	11,072,580	6.36%	(843,452)	704,232	5.01%	(42,299)	35,317
5	397	Communication Equipment	5,914,277	3,563,415	6.36%	(376,157)	226,638	5.01%	(18,864)	11,366
6	398	Misc. Equipment	195,464	140,197	6.36%	(12,432)	8,917	5.01%	(623)	447
7		Total	<u>36,976,096</u>	<u>23,878,266</u>		<u>(2,351,733)</u>	<u>1,518,692</u>		<u>(117,939)</u>	<u>76,162</u>

Source: Supplemental Response to Data Request No. KCC-292

The Empire District Electric Company
Empire Calculation of Common Property
Rate Base Adjustment Component Nos. 1(b) and 2(b)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Common Plant Balance as of June 30, 2018	Common Reserve Balance as of June 30, 2018	Mass Rate	Non-Electric Plant in Service Adjustment	Non-Electric Accum Depreciation Adjustment	Kansas Allocator	Empire Common Property Plant in Service Adjustment	Empire Common Property Accum Depreciation Adjustment
1	389	Land and Land Rights	959,083	-	5.96%	(57,201)	-	5.01%	(2,869)	-
2	390	Structures and Improvements	10,934,267	6,620,992	5.96%	(652,131)	394,883	5.01%	(32,704)	19,803
3	391.1	Office Furniture and Equipment	5,335,491	2,175,486	5.96%	(318,214)	129,748	5.01%	(15,958)	6,507
4	391.3	Computer	13,178,540	10,540,058	5.96%	(785,982)	628,620	5.01%	(39,417)	31,525
5	397	Communication Equipment	5,912,180	3,403,172	5.96%	(352,609)	202,969	5.01%	(17,683)	10,179
6	398	Misc. Equipment	190,043	140,712	5.96%	(11,334)	8,392	5.01%	(568)	421
7		Total	36,509,604	22,880,420		(2,177,471)	1,364,613		(109,200)	68,435

Source: Empire Pro Forma Adjustment ADJ 2 Workpaper

The Empire District Electric Company
Staff Adjustment to Plant in Service and Accumulated Depreciation for TDC
Rate Base Adjustment Component Nos. 1(c) and 2(c)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Ending Balance	TDC Adj TFR Allocation	%	Staff Adjustment	Empire Adjustment	Total Impact of Staff Adjustment
				(Note 1)				
<u>Plant in Service (RB-1)</u>								
1	301	Organizational Costs	1,501	W/S	7.478%	(112)	-	(112)
2	302	Franchises & Consents	54,152	W/S	7.478%	(4,049)	-	(4,049)
3	303	Misc. Intangible Plant	2,133,704	W/S	7.478%	(159,557)	-	(159,557)
4		Total Intangibles	2,189,357			(163,719)	-	(163,719)
5	350.0	Land and Land Rights	564,261	DA	100.000%	(564,261)	(564,211)	(50)
6	352.0	Structures and Improvements	180,506	DA	100.000%	(180,506)	(153,897)	(26,609)
7	352.1	Structures and Improvements (Iatan)	1,089	DA	100.000%	(1,089)	(1,089)	-
8	353.0	Station Equipment	8,183,496	DA	100.000%	(8,183,496)	(7,729,755)	(453,740)
9	353.1	Station Equipment (Iatan)	28,861	DA	100.000%	(28,861)	(28,570)	(291)
10	354.0	Towers & Fixtures	101,319	DA	100.000%	(101,319)	(90,910)	(10,409)
11	355.0	Poles & Fixtures	4,553,717	DA	100.000%	(4,553,717)	(4,508,907)	(44,811)
12	356.0	Overhead Conductors & Devices	4,605,569	DA	100.000%	(4,605,569)	(4,558,056)	(47,513)
13		Total Transmission	18,218,818			(18,218,818)	(17,635,395)	(583,423)
14	389.0	Land and Land Rights	49,958	W/S	7.478%	(3,736)	(5,834)	2,098
15	390.0	Structures and Improvements	577,372	W/S	7.478%	(43,176)	(65,704)	22,528
16	391.1	Office Furniture & Equipment	301,039	W/S	7.478%	(22,512)	(34,652)	12,141
17	391.3	Computer Equipment	701,751	W/S	7.478%	(52,477)	(83,424)	30,947
18	392.0	Transportation Equipment	746,189	W/S	7.478%	(55,800)	(80,510)	24,711
19	393.0	Stores Equipment	44,008	W/S	7.478%	(3,291)	(4,771)	1,480
20	394.0	Tools, Shop & Garage Equipment	356,263	W/S	7.478%	(26,641)	(39,138)	12,497
21	395.0	Laboratory Equipment	100,989	W/S	7.478%	(7,552)	(10,999)	3,447
22	396.0	Power Operated Equipment	889,950	W/S	7.478%	(66,550)	(101,219)	34,668
23	397.0	Communication Equipment	579,636	W/S	7.478%	(43,345)	(65,677)	22,332
24	398.0	Misc. Equipment	13,301	W/S	7.478%	(995)	(1,529)	534
25		Total General	4,360,455			(326,073)	(493,456)	167,384
26		Staff Adjustment to Plant in Service for TDC				(18,708,610)	(18,128,852)	(579,758)

Note 1:

W/S Wages and Salary Allocator

DA Direct Assignment for 100% Transmission-Related

The Empire District Electric Company
Staff Adjustment to Plant in Service and Accumulated Depreciation for TDC
Rate Base Adjustment Component Nos. 1(c) and 2(c)
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Ending Balance	TDC Adj TFR Allocation	%	Staff Adjustment	Empire Adjustment	Total Impact of Staff Adjustment
				(Note 1)				
<u>Accumulated Depreciation (RB-2)</u>								
27	301	Organizational Costs	-	W/S	7.478%	-	-	-
28	302	Franchises & Consents	48,378	W/S	7.478%	(3,618)	-	(3,618)
29	303	Misc. Intangible Plant	1,110,384	W/S	7.478%	(83,034)	-	(83,034)
30		Total Intangibles	1,158,762			(86,652)	-	(86,652)
31	350.0	Land and Land Rights	-	DA	100.000%	-	-	-
32	352.0	Structures and Improvements	70,168	DA	100.000%	(70,168)	(68,292)	(1,877)
33	352.1	Structures and Improvements (Iatan)	2,147	DA	100.000%	(2,147)	(2,134)	(13)
34	353.0	Station Equipment	2,203,510	DA	100.000%	(2,203,510)	(2,160,283)	(43,227)
35	353.1	Station Equipment (Iatan)	25,569	DA	100.000%	(25,569)	(25,256)	(313)
36	354.0	Towers & Fixtures	47,295	DA	100.000%	(47,295)	(46,336)	(960)
37	355.0	Poles & Fixtures	1,418,698	DA	100.000%	(1,418,698)	(1,340,826)	(77,871)
38	356.0	Overhead Conductors & Devices	1,332,194	DA	100.000%	(1,332,194)	(1,287,835)	(44,359)
39		Total Transmission	5,099,581			(5,099,581)	(4,930,961)	(168,620)
40	389.0	Land and Land Rights	-	W/S	7.478%	-	-	-
41	390.0	Structures and Improvements	343,328	W/S	7.478%	(25,674)	(36,300)	10,626
42	391.1	Office Furniture & Equipment	139,739	W/S	7.478%	(10,450)	(14,209)	3,760
43	391.3	Computer Equipment	580,372	W/S	7.478%	(43,400)	(61,537)	18,137
44	392.0	Transportation Equipment	426,983	W/S	7.478%	(31,930)	(42,762)	10,832
45	393.0	Stores Equipment	21,712	W/S	7.478%	(1,624)	(2,140)	517
46	394.0	Tools, Shop & Garage Equipment	218,535	W/S	7.478%	(16,342)	(21,212)	4,870
47	395.0	Laboratory Equipment	49,636	W/S	7.478%	(3,712)	(4,921)	1,210
48	396.0	Power Operated Equipment	427,405	W/S	7.478%	(31,961)	(43,275)	11,314
49	397.0	Communication Equipment	354,663	W/S	7.478%	(26,522)	(35,855)	9,333
50	398.0	Misc. Equipment	9,539	W/S	7.478%	(713)	(1,031)	318
51		Total General	2,571,912			(192,326)	(263,244)	70,917
52		Staff Adjustment to Accumulated Depreciation for TDC				(5,378,559)	(5,194,205)	(184,354)

Additional Note:

The purpose of this exhibit is to show the impact of the component of Staff Adjustments to Plant in Service (RB-1) and Accumulated Depreciation (RB-2) related to the TDC in comparison to Empire's respective Adjustment ADJ 17 reflected in its Application.

Sources: Empire Application, Section 4 and Section 5
Exhibits CCU-1 and CCU-2

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge
Rate Base Adjustment No. 3
For the Test Year Ended June 30, 2018

Line No.	Description	Staff Test Year Adjustment	Staff TDC Adjustment	Staff Adjustment to Remove Transmission for TDC
1	Accumulated Deferred Income Taxes	(205,741)	(44,865)	(250,606)
2	Prepayments	4,379	(1,366)	3,013
3	Materials and Supplies	<u>(21,966)</u>	<u>(10,993)</u>	<u>(32,959)</u>
4	Staff Rate Base Adjustment to Transmission Delivery Charge	(223,328)	(57,224)	<u><u>(280,552)</u></u>

Source: Exhibits ANJ-4(a) through ANJ-4(f)

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - ADIT
Rate Base Adjustment No. 3
For the Test Year Ended June 30, 2018

Line No.	FERC Account Description	Total Company Balance	Kansas Allocation	Kansas Balance	TDC Adj TFR Allocation	%	Staff Adjusted TDC	Empire Adjusted TDC	Staff TDC Adjustment
(Note 1)									
<u>Deferred Tax Assets</u>									
1	190112	Acc Df Tx-Ozark Beach Loss Gen	(3,234,299)	5.01%	(162,200)	NA	0.000%	-	(21,261)
2	190113	Def ITC Cr-Adv Coal	-	5.01%	-	NA	0.000%	-	-
3	190114	Def Tax Asset - Reg Plan Amort	4,888,268	5.01%	245,146	NA	0.000%	(32,134)	32,134
4	190122	Def Fd Inc Tx-Acr Rate Ref-Ark	2,344	0.00%	-	GP	13.343%	-	-
5	190123	Def Inc Tax - Hedge Trans Gain	663,682	5.01%	33,284	GP	13.343%	(4,441)	(78)
6	190124	Def Fd Tax Asset - Misc	(4,394,566)	5.01%	(220,387)	NA	0.000%	-	(28,889)
7	190125	FAS123 Deferred Tax Asset	674,192	5.01%	33,811	W/S	7.478%	(2,528)	1,904
8	190211	Def Inc Tx - Disallow Plant	-	5.01%	-	NA	0.000%	-	-
9	190230	Def Tx Net Operating Loss	-	5.01%	-	GP	13.343%	-	-
10	190260	Def Fd Inc Tx-Of & Dir Def Com	117,939	5.01%	5,915	W/S	7.478%	(442)	333
11	190310	Def Fd Inc Tx-Contrb-Aid Const	6,933,506	5.01%	347,714	NA	0.000%	(45,579)	45,579
12	190320	Def Inc Tx-Def Tx Asset Fas109	-	5.01%	-	NA	0.000%	-	-
13	190330	Def Inc Tx-Pbop Costs	(400,162)	5.01%	(20,068)	W/S	7.478%	1,501	(1,130)
14	190331	Def Inc Tx-Postret Ben-Pension	(4,719,777)	5.01%	(236,696)	W/S	7.478%	17,700	(13,327)
15	190340	Acm Def Inc Tx-Int Capitalized	11,252,581	5.01%	564,315	GP	13.343%	(75,297)	(1,325)
16	190350	Acm Def Inc Tx - Alt Minmn Tax	-	5.01%	-	NA	0.000%	-	-
17	190356	Deferred Tax - FAS 158	-	5.01%	-	W/S	7.478%	-	-
18	190410	SWPA Oz Beach Def Tx -AR	154,009	0.00%	-	NA	0.000%	-	-
19	190420	SWPA Oz Beach Def Tx - KS	109,954	100.00%	109,954	NA	0.000%	(14,413)	14,413
20	190430	SWPA Oz Beach Def Tx -MO	1,252,919	0.00%	-	NA	0.000%	-	-
21	190440	SWPA Oz Beach Def Tx -OK	60,597	0.00%	-	NA	0.000%	-	-
22	190450	SWPA Oz Beach Def Tx -FERC	425,190	0.00%	-	NA	0.000%	-	-
23	Total	13,786,377		700,787			(63,508)	(91,861)	28,353
<u>Deferred Tax Liabilities</u>									
24	282100	Accum Def Fed Inc Tx-Ld Elect	(248,699,666)	5.01%	(12,472,248)	GP	13.343%	1,664,172	(183,171)
25	282120	Accum Def Fed Inc Tx-Ld Ks Jur	(415,036)	100.00%	(415,036)	GP	13.343%	55,378	(2)
26	282130	Acc Def Fed Inc Tx-LD NonUt DR	-	5.01%	-	NA	0.000%	-	-
27	282135	Acc Def Fed Inc Tx-LD NonUT CR	-	5.01%	-	NA	0.000%	-	-
28	282140	Accum Def Fed Inc Tx-Ld Ok Jur	(94,836)	0.00%	-	GP	13.343%	-	-
29	282150	Acm Def Fed Inc Tx-Ld Ferc Jr	(217,730)	0.00%	-	GP	13.343%	-	-
30	282200	Accumul Def Inc Tx-Ld Water	-	0.00%	-	NA	0.000%	-	-
31	283100	Acm Def Fed Inc Tx-2Nd 5Yr Mn	(14,617)	5.01%	(733)	NA	0.000%	-	(98)
32	283103	Acc Def Tax-Repair Allowance	(2,560,762)	5.01%	(128,422)	GP	13.343%	17,135	(1)
33	283116	Def Tax Liab-Iatan Def Charges	(3,463,305)	5.01%	(173,684)	NA	0.000%	-	(23,175)
34	283123	Def Inc Tax - Hedge Trans Loss	(1,466,643)	5.01%	(73,552)	GP	13.343%	9,814	(0)
35	283139	Deferred Tax Liab Fuel Costs	(3,070,380)	5.01%	(153,979)	NA	0.000%	-	(20,546)
36	283366	Def Tx-ITC Tx Basis Red-Iatan	-	5.01%	-	NA	0.000%	-	-
37	283400	Acm Def Fed Inc Tx-Lic Softwr	(2,414,115)	5.01%	(121,067)	W/S	7.478%	9,053	(7,101)
38	283900	Acc Def Tx-Loss Reacq Debt	(1,882,762)	5.01%	(94,420)	GP	13.343%	12,598	(0)
39	283914	Def Inc Tax - FAS158	-	5.01%	-	W/S	7.478%	-	-
40	283915	Def Inc Tax-Deflt Liab Fas 109	-	5.01%	-	NA	0.000%	-	-
41	283917	Def Tx Liab-Equity AFUDC	-	5.01%	-	GP	13.343%	-	-
42	283921	Def Inc Tx Ice Storm Exp	(73,897)	5.01%	(3,706)	GP	13.343%	494	(0)
43	Total	(264,373,749)		(13,636,847)			1,768,646	2,002,740	(234,094)

Note 1:

GP Gross Plant Allocator
W/S Wages and Salary Allocator
NA Not Applicable for Non-Transmission Related

Source: Empire Pro Forma Adjustment ADJ 17 Workpapers

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - ADIT
Rate Base Adjustment No. 3
For the Test Year Ended June 30, 2018

			Staff Adjustments to ADIT			
Line	FERC		Pre-Transmission	TDC Adj		Staff TDC
No.	Account	Description	Removal	TFR	%	Adjustment to
			(KS Jurisdictional)	Allocation		ADIT
				(Note 1)		
<u>Deferred Tax Assets</u>						
1	190112	Acc Df Tx-Ozark Beach Loss Gen	1,740	NA	0.000%	-
2	190113	Def ITC Cr-Adv Coal		NA	0.000%	-
3	190114	Def Tax Asset - Reg Plan Amort	(11,044)	NA	0.000%	-
4	190122	Def Fd Inc Tx-Acr Rate Ref-Ark		GP	13.343%	-
5	190123	Def Inc Tax - Hedge Trans Gain	1,930	GP	13.343%	(258)
6	190124	Def Fd Tax Asset - Misc	23,590	NA	0.000%	-
7	190125	FAS123 Deferred Tax Asset	(28,945)	W/S	7.478%	2,164
8	190211	Def Inc Tx - Disallow Plant		NA	0.000%	-
9	190230	Def Tx Net Operating Loss		GP	13.343%	-
10	190260	Def Fd Inc Tx-Of & Dir Def Com	(65,936)	W/S	7.478%	4,931
11	190310	Def Fd Inc Tx-Contrb-Aid Const	(18,099)	NA	0.000%	-
12	190320	Def Inc Tx-Def Tx Asset Fas109		NA	0.000%	-
13	190330	Def Inc Tx-Pbop Costs	35,264	W/S	7.478%	(2,637)
14	190331	Def Inc Tx-Postret Ben-Pension	28,251	W/S	7.478%	(2,113)
15	190340	Acm Def Inc Tx-Int Capitalized	(19,296)	GP	13.343%	2,575
16	190350	Acm Def Inc Tx - Alt Minmn Tax		NA	0.000%	-
17	190356	Deferred Tax - FAS 158		W/S	7.478%	-
18	190410	SWPA Oz Beach Def Tx -AR		NA	0.000%	-
19	190420	SWPA Oz Beach Def Tx - KS	6,551	NA	0.000%	-
20	190430	SWPA Oz Beach Def Tx -MO		NA	0.000%	-
21	190440	SWPA Oz Beach Def Tx -OK		NA	0.000%	-
22	190450	SWPA Oz Beach Def Tx -FERC		NA	0.000%	-
23		Total	(45,994)			4,663
<u>Deferred Tax Liabilities</u>						
24	282100	Accum Def Fed Inc Tx-Ld Elect	330,014	GP	13.343%	(44,034)
25	282120	Accum Def Fed Inc Tx-Ld Ks Jur	16,794	GP	13.343%	(2,241)
26	282130	Acc Def Fed Inc Tx-LD NonUt DR		NA	0.000%	-
27	282135	Acc Def Fed Inc Tx-LD NonUt CR		NA	0.000%	-
28	282140	Accum Def Fed Inc Tx-Ld Ok Jur		GP	13.343%	-
29	282150	Accm Def Fed Inc Tx-Ld Ferc Jr		GP	13.343%	-
30	282200	Accumul Def Inc Tx-Ld Water		NA	0.000%	-
31	283100	Accm Def Fed Inc Tx-2Nd 5Yr Mn	746	NA	0.000%	-
32	283103	Acc Def Tax-Repair Allowance	3,619	GP	13.343%	(483)
33	283116	Def Tax Liab-Iatan Def Charges	196,359	NA	0.000%	-
34	283123	Def Inc Tax - Hedge Trans Loss	1,256	GP	13.343%	(168)
35	283139	Deferred Tax Liab Fuel Costs	162,998	NA	0.000%	-
36	283366	Def Tx-ITC Tx Basis Red-Iatan		NA	0.000%	-
37	283400	Accm Def Fed Inc Tx-Lic Softwr	16,322	W/S	7.478%	(1,221)
38	283900	Acc Def Tx-Loss Reacq Debt	9,149	GP	13.343%	(1,221)
39	283914	Def Inc Tax - FAS158		W/S	7.478%	-
40	283915	Def Inc Tax-DefTx Liab Fas 109		NA	0.000%	-
41	283917	Def Tx Liab-Equity AFUDC		GP	13.343%	-
42	283921	Def Inc Tx Ice Storm Exp	1,212	GP	13.343%	(162)
43		Total	738,469			(49,528)

Note 1:

GP Gross Plant Allocator
W/S Wages and Salary Allocator
NA Not Applicable for Non-Transmission Related

Source: Exhibits WEB - RB 1(a) and WEB - RB 1(b)

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - Prepayments
Rate Base Adjustment No. 3
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Total Company Balance	Total Prepayments Adjustment	Total Company Adjusted Prepayments	Kansas Allocation	Kansas Balance	TDC Adj TFR Allocation	%	Staff Adjusted TDC	Empire Adjusted TDC	Staff TDC Adjustment
(Note 1)												
1	165100	Prepayments - Insurance	1,123,977	623,463	1,747,440	5.01%	87,634	GP	13.343%	(11,693)	(8,875)	(2,818)
2	165200	Prepayments - Interest	1,623	130	1,752	5.01%	88	GP	13.343%	(12)	(13)	1
3	165300	Prepayments-Other	1,022,485	(176,600)	845,885	5.01%	42,421	GP	13.343%	(5,660)	(8,074)	2,414
4	165350	Prepayments-Wrking Funds Iatan	1,636,423	(120,000)	1,516,423	5.01%	76,048	GP	13.343%	(10,147)	(12,922)	2,775
5	165351	Prepmnts-Wrking Funds PlumPoint	857,280	-	857,280	5.01%	42,992	GP	13.343%	(5,736)	(6,769)	1,033
6	165352	Prepayments-KCP&L Land Lease	136,276	1,642	137,918	5.01%	6,917	GP	13.343%	(923)	(1,076)	153
7	165400	Prepayments - Fuel	1,248,102	207,744	1,455,846	5.01%	73,010	GP	13.343%	(9,742)	(9,855)	114
8	165500	Prepaid Purchased Power	1,329,583	105,035	1,434,618	5.01%	71,946	GP	13.343%	(9,600)	(10,499)	899
9	165600	Prepayments - Plum Point	274,837	221,855	496,692	5.01%	24,909	GP	13.343%	(3,324)	(2,170)	(1,153)
10	165800	Prepayments - Fleet Card	89,672	(43,385)	46,287	5.01%	2,321	GP	13.343%	(310)	(708)	398
11	165900	Prepmnts Riverton Def Mtce	430,956	(6,727)	424,229	5.01%	21,275	GP	13.343%	(2,839)	(3,403)	564
12		Total	8,151,213	813,157	8,964,370		449,562			(59,985)	(64,364)	4,379

Note 1:
GP Gross Plant Allocator

Source: Empire Pro Forma Adjustment ADJ 17 Workpapers

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - Prepayments
Rate Base Adjustment No. 3
For the Test Year Ended June 30, 2018

Line No.	FERC Account Description	Staff Adjustments to Prepayments	TDC Adj	%	Staff TDC	
		Pre-Transmission Removal (KS Jurisdictional)	TFR Allocation (Note 1)		Adjustment to Prepayments	
1	165100	Prepayments - Insurance	5,769	GP	13.343%	(770)
2	165200	Prepayments - Interest	(33)	GP	13.343%	4
3	165300	Prepayments-Other	6,810	GP	13.343%	(909)
4	165350	Prepayments-Wrking Funds Iatan	6,018	GP	13.343%	(803)
5	165351	Prepmts-Wrking Funds PlumPoint		GP	13.343%	-
6	165352	Prepayments-KCP&L Land Lease	(97)	GP	13.343%	13
7	165400	Prepayments - Fuel	(678)	GP	13.343%	90
8	165500	Prepaid Purchased Power	(5,268)	GP	13.343%	703
9	165600	Prepayments - Plum Point	(2,105)	GP	13.343%	281
10	165800	Prepayments - Fleet Card	129	GP	13.343%	(17)
11	165900	Prepmts Riverton Def Mtce	(308)	GP	13.343%	41
12		Total	10,237			(1,366)

Note 1:

GP Gross Plant Allocator

Source: Exhibit BAH-1

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - Materials and Supplies
Rate Base Adjustment No. 3
For the Test Year Ended June 30, 2018

Line No.	FERC Account Description	Total Company Balance	Kansas Allocation	Kansas Balance	TDC Adj TFR Allocation (Note 1)	Staff Adjusted TDC	Empire Adjusted TDC	Staff TDC Adjustment
	<u>T&D Materials</u>							
1	154000 Material	25,304,243	5.50%	1,391,494	11.647%	(162,063)	(140,740)	(21,323)
2	154100 Minor Material Undistributed	693,650	5.50%	38,144	11.647%	(4,443)	(3,858)	(584)
3	154700 Bulk Fuel Inventory - Kodiak	68,455	5.50%	3,764	11.647%	(438)	(380)	(58)
4	Total	<u>26,066,348</u>		<u>1,433,403</u>		<u>(166,944)</u>	<u>(144,978)</u>	<u>(21,966)</u>

Note 1:

Allocation based on materials and supplies included in the TFR and Empire's total materials and supplies for the year ending December 31, 2017.

Source: Empire Pro Forma Adjustment ADJ 17 Workpapers

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - Materials and Supplies
Rate Base Adjustment No. 3
For the Test Year Ended June 30, 2018

Line No.	FERC Account Description	Staff Adjustments to Materials and Supplies Pre-Transmission Removal (KS Jurisdictional)	TDC Adj TFR Allocation (Note 1)	Staff TDC Adjustment to Materials and Supplies
	<u>T&D Materials</u>			
1	154000 Material	93,737	11.647%	(10,917)
2	154100 Minor Material Undistributed	341	11.647%	(40)
3	154700 Bulk Fuel Inventory - Kodiak	310	11.647%	(36)
4	Total	<u>94,388</u>		<u>(10,993)</u>

Note 1:
Allocation based on materials and supplies included in the TFR and Empire's total materials and supplies for the year ending December 31, 2017.

Source: Exhibits BAH-2 and BAH-3

The Empire District Electric Company
Staff Adjustment to Property Taxes
Income Statement Adjustment No. 2
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Total
		<u>Iatan and Plum Point Disallowance</u>	
1		Staff Adjustment to Property Taxes for the Iatan and Plum Point Disallowance	(2,847)
2		Empire Adjustment to Property Taxes for the Iatan and Plum Point Disallowance	<u>(663)</u>
3	408610	Staff Adjustment to Remove Property Taxes for the Iatan and Plum Point Disallowance	<u>(2,184)</u>
		<u>Common Property</u>	
4		Staff Adjusted Non-Electric Common Plant Balance as of January 31, 2019	(117,939)
5		Property Tax Rate	<u>1.12%</u>
6	408610	Staff Adjustment to Remove Property Taxes for Common Property	<u>(1,315)</u>
		<u>CWIP</u>	
7		Staff Adjustment to Property Taxes on CWIP	-
8		Empire Adjustment to Property Taxes on CWIP	<u>2,894</u>
9	408610	Staff Adjustment to Remove Property Taxes on CWIP	<u>(2,894)</u>
10		Staff Adjustment to Property Taxes	<u>(6,394)</u>

Sources: Empire Pro Forma Adjustment ADJ 1 Workpaper
Empire Pro Forma Adjustment ADJ 5 Workpaper
Response to Data Request Nos. KCC-201 and KCC-205
Exhibits ANJ-1(a) and ANJ-1(b)
Exhibit ANJ-2(a)

The Empire District Electric Company
Staff Adjustment to Amortizations
Income Statement Adjustment No. 3
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Balance as of Sept. 1, 2019	Amortization Years	Staff Adjusted Annual Amortization	Test Year Annual Amortization	Staff Adjustment
1	593599	KS 2007 Ice Storm Def Charges	92,559	5	18,512	111,071	(92,559)
2	593599	KS 2007 Ice Storm Carrying Costs	18,008	5	3,602	21,610	(18,008)
3		Staff Adjustment to Kansas 2007 Ice Storm Amortization					<u>(110,567)</u>
4	921446	PeopleSoft Costs				1,183	(1,183)
5	926149	Reg Pension Costs				(329)	329
6	926326	Reg OPEB Costs				(1,716)	1,716
7		Staff Adjustment to Remove Missouri Jurisdictional Amortizations					<u>862</u>
8		Staff Adjustment to Amortization Expense					<u>(109,705)</u>

Sources: Response to Data Request Nos. KCC-79, KCC-322 and KCC-323

The Empire District Electric Company
Staff Adjustment to Depreciation and Amortization Expense
Income Statement Adjustment No. 4
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Reference (Exhibits)	Staff Adjusted Depreciation and Amortization Expense	Empire Adjusted Depreciation and Amortization Expense	Staff Adjustment to Depreciation and Amortization Expense
		Production:				
1	403	Steam	ANJ-7(a)	\$ 1,093,569	\$ 1,294,518	\$ (200,949)
2	403	Hydro	ANJ-7(a)	10,423	13,996	(3,572)
3	403	Other	ANJ-7(a)	514,864	594,435	(79,571)
4		Total Production		1,618,856	1,902,949	(284,092)
5	403	Transmission	ANJ-7(a)	-	-	-
6	403	Distribution	ANJ-7(a)	1,674,120	1,822,177	(148,058)
7	403	General	ANJ-7(a)	194,154	233,721	(39,567)
8		Total Depreciation Expense Adjustment		3,487,130	3,958,847	(471,717)
		Amortization of Electric Plant				
9	403	Other Amortization	ANJ-7(c)	-	-	-
10	404	Amort Ltd-Term Elect/Gas Plant	ANJ-7(c)	197,914	186,185	11,729
11		Total Amortization Expense Adjustment		197,914	186,185	11,729
12		Staff Adjustment to Depreciation and Amortization Expense		\$ 3,685,044	\$ 4,145,032	\$ (459,988)

The Empire District Electric Company
Summary of Staff Adjustment to Depreciation Expense
Income Statement Adjustment No. 4
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	(A) Empire Pro Forma Depreciation Expense	(B) Staff Adjusted Plant in Service Balance	(C) Empire Blended Depreciation Rate	(D) Staff Adjusted Depreciation Expense (B) x (C)	(E) Depreciation Adjustment Related to Plant (Note 1) (D) - (A)	(F) Staff Adjusted Plant in Service Balance	(G) Staff Blended Depreciation Rate	(H) Staff Pro Forma Depreciation Expense (F) x (G)	(I) Depreciation Adjustment Related to Rates (Note 2) (H) - (D)	(J) Staff Adjustment to Depreciation Expense (E) + (I)
1	403	Steam	\$ 1,294,518	\$ 37,231,936	3.442%	\$ 1,281,583	\$ (12,935)	\$ 37,231,936	2.937%	\$ 1,093,569	\$ (188,014)	\$ (200,949)
2	403	Hydro	13,996	520,466	2.664%	13,864	(132)	520,466	2.003%	10,423	(3,440)	(3,572)
3	403	Other	594,435	25,835,705	2.317%	598,739	4,304	25,835,705	1.993%	514,864	(83,875)	(79,571)
4		Total Production Plant	1,902,949	63,588,106		1,894,185	(8,763)	63,588,106		1,618,856	(275,329)	(284,092)
5	403	Transmission Plant	-	-		-	-	-		-	-	-
6	403	Distribution Plant	1,822,177	54,520,961	3.403%	1,855,212	33,035	54,520,961	3.071%	1,674,120	(181,092)	(148,058)
7	403	General Plant	233,721	4,035,688	5.805%	234,277	556	4,035,688	4.811%	194,154	(40,123)	(39,567)
8	403	Staff Adjustment to Depreciation Expense	\$ 3,958,847	\$ 122,144,755		\$ 3,983,674	\$ 24,827	\$ 122,144,755		\$ 3,487,130	\$ (496,545)	\$ (471,717)

Notes:

- (1) Staff's adjustment to depreciation expense driven by change in plant
(2) Staff's adjustment to depreciation expense driven by Staff's proposed depreciation rates

Sources: Empire Application, Section 10
Exhibit ANJ-7(b)

The Empire District Electric Company
Staff Adjustment to Depreciation Expense
Income Statement Adjustment No. 4
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	(A) Updated Kansas Plant in Service Balance Ending January 31, 2019 CCU-1	(B) Staff Iatan and Plum Point Prudency Adjustment ANJ-1	(C) Staff Common Property Adjustment ANJ-2	(D) Staff TDC Adjustment ANJ-3	(E) Staff Pro Forma Adjusted Plant in Service (A) + (B) + (C) + (D)	(F) Staff Proposed Depreciation Rates RRM-1	(G) Staff Pro Forma Depreciation Expense (E) x (F)	(H) Empire Proposed Annualized Depreciation Expense Section 10	(I) Iatan and Plum Point Depreciation Expense Adjustment ADI-1	(J) CWIP Adjustment ADI-5	(K) Merit Increase Adjustment ADI-16	(L) Empire Pro Forma Adjusted Depreciation Expense (H) + (I) + (J) + (K)	(M) Staff Adjustment to Depreciation Expense (G) - (L)
1	310	Land	\$ -	\$ -	\$ -	\$ -	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	311	Structures	-	-	-	-	-	11.52%	-	934	-	-	0	935	(935)
3	312	Boiler Plant	-	-	-	-	-	11.52%	-	350	-	-	0	350	(350)
4	314	Turbogenerators	-	-	-	-	-	11.52%	-	-	-	-	-	-	-
5	315	Access. Electric	-	-	-	-	-	11.52%	-	60	-	-	0	60	(60)
6	316	Misc. Equipment	-	-	-	-	-	11.52%	-	-	-	-	-	-	-
7		RIVERTON	-	-	-	-	-	-	1,344	-	-	-	0	1,344	(1,344)
8	310	Land	63,881	-	-	-	63,881	0.00%	-	-	-	-	-	-	-
9	311	Structures	1,019,929	-	-	-	1,019,929	4.07%	41,511	44,662	-	-	6	44,668	(3,157)
10	312	Boiler Plant	10,328,861	(26,430)	-	-	10,302,432	4.70%	484,214	582,270	-	4,127	79	586,476	(102,262)
11	312	(Unit Train)	-	-	-	-	-	6.67%	-	-	-	-	-	-	-
12	314	Turbogenerators	1,737,769	-	-	-	1,737,769	4.77%	82,892	90,822	-	-	12	90,834	(7,943)
13	315	Access. Electric	325,864	(819)	-	-	325,045	3.57%	11,604	12,383	-	-	2	12,385	(780)
14	316	Misc. Equipment	117,652	-	-	-	117,652	3.18%	3,741	5,153	-	-	1	5,154	(1,412)
15		ASBURY	13,593,957	(27,249)	-	-	13,566,708	-	623,962	735,290	-	4,127	99	739,517	(115,555)
16	310	Land	5,756	-	-	-	5,756	0.00%	-	-	-	-	-	-	-
17	311	Structures	194,692	-	-	-	194,692	1.71%	3,329	3,799	(7)	-	1	3,792	(463)
18	312	Boiler Plant	3,610,192	-	-	-	3,610,192	2.62%	94,587	117,580	(75)	20	16	117,540	(22,953)
19	312	(Unit Train)	15,568	-	-	-	15,568	6.67%	1,038	1,038	-	-	0	1,039	(0)
20	314	Turbogenerators	716,120	-	-	-	716,120	2.34%	16,757	20,659	-	-	3	20,662	(3,904)
21	315	Access. Electric	396,574	-	-	-	396,574	2.44%	9,676	14,753	(18)	-	2	14,737	(5,060)
22	316	Misc. Equipment	64,840	-	-	-	64,840	1.38%	895	1,561	(15)	-	0	1,546	(651)
23		IATAN 1	5,003,742	-	-	-	5,003,742	-	126,283	159,389	(115)	20	22	159,316	(33,033)
24	311	Structures	990,246	(13,627)	-	-	976,619	1.48%	14,454	28,572	(35)	-	4	28,541	(14,087)
25	311	Ret Plan Amort	-	-	-	-	-	0.00%	-	-	-	-	-	-	-
26	312	Boiler Plant	6,955,905	(61,038)	-	-	6,894,867	1.55%	106,870	133,623	(275)	85	18	133,451	(26,581)
27	312	Ret Plan Amort	-	-	-	-	-	0.00%	-	-	-	-	-	-	-
28	314	Turbogenerators	2,327,543	(10,172)	-	-	2,317,370	1.62%	37,541	35,657	(39)	-	5	35,623	1,919
29	314	Ret Plan Amort	-	-	-	-	-	0.00%	-	-	-	-	-	-	-
30	315	Access. Electric	592,110	(10,145)	-	-	581,965	1.47%	8,555	9,469	(44)	-	1	9,426	(871)
31	315	Ret Plan Amort	-	-	-	-	-	0.00%	-	-	-	-	-	-	-
32	316	Misc. Equipment	46,666	(36,042)	-	-	10,624	1.61%	171	687	(157)	-	0	530	(359)
33	316	Ret Plan Amort	-	-	-	-	-	0.00%	-	-	-	-	-	-	-
34		IATAN 2	10,912,470	(131,024)	-	-	10,781,445	-	167,592	208,008	(550)	85	28	207,571	(39,979)
35	310	Land	342	-	-	-	342	0.00%	-	-	-	-	-	-	-
36	311	Structures	749,866	-	-	-	749,866	1.87%	14,022	21,889	(7)	-	3	21,885	(7,863)
37	312	Boiler Plant	1,866,944	(32,182)	-	-	1,834,763	1.84%	33,760	36,113	(101)	14	5	36,031	(2,271)
38	314	Turbogenerators	61,234	-	-	-	61,234	2.04%	1,249	943	-	-	0	943	306
39	315	Access. Electric	240,626	-	-	-	240,626	1.86%	4,476	3,651	(12)	-	0	3,639	837
40	316	Misc. Equipment	32,822	(266)	-	-	32,556	1.97%	641	1,376	(13)	-	0	1,363	(722)
41		IATAN COMMON	2,951,833	(32,447)	-	-	2,919,386	-	54,148	63,972	(133)	14	9	63,861	(9,713)
42	310	Land	45,263	-	-	-	45,263	0.00%	-	-	-	-	-	-	-
43	311	Structures	973,263	(20,555)	-	-	952,708	2.19%	20,864	21,217	(47)	-	3	21,173	(309)
44	312	Boiler Plant	2,548,998	(29,327)	-	-	2,519,671	2.26%	56,945	55,357	(128)	-	7	55,236	1,708
45	312	(Unit Train)	246,479	-	-	-	246,479	6.67%	16,440	16,440	-	-	2	16,442	(2)
46	314	Turbogenerators	814,417	(6,130)	-	-	808,287	2.35%	18,995	17,754	(23)	-	2	17,734	1,261
47	315	Access. Electric	256,302	(4,291)	-	-	252,012	2.12%	5,343	5,423	(18)	-	1	5,406	(63)
48	316	Misc. Equipment	140,467	(4,232)	-	-	136,234	2.20%	2,997	2,908	(19)	-	0	2,889	108
49		PLUM POINT	5,025,189	(64,535)	-	-	4,960,654	-	121,584	119,099	(235)	-	16	118,880	2,703
50		Disallowances (Added Back into Rate Base)	-	-	-	-	-	2.95%	-	4,029	-	-	-	4,029	(4,029)
51		TOTAL STEAM PRODUCTION PLANT:	37,487,191	(255,255)	-	-	37,231,936	-	1,093,569	1,291,131	(1,033)	4,246	174	1,294,518	(200,949)
52	330	Land	10,717	-	-	-	10,717	0.00%	-	-	-	-	-	-	-
53	331	Structures	39,845	-	-	-	39,845	1.69%	673	917	-	-	0	917	(244)
54	332	Dams	161,771	-	-	-	161,771	1.75%	2,831	3,122	-	-	0	3,122	(291)
55	333	Turbogenerators	203,391	-	-	-	203,391	2.32%	4,719	6,596	-	7	1	6,604	(1,885)
56	334	Access. Electric	71,079	-	-	-	71,079	2.30%	1,635	2,198	-	26	0	2,224	(589)
57	335	Misc. Equipment	33,663	-	-	-	33,663	1.68%	566	1,128	-	-	0	1,128	(563)
58		TOTAL HYDRO PRODUCTION PLANT:	520,466	-	-	-	520,466	-	10,423	13,962	-	32	1	13,996	(3,572)
59	340	Land	7,718	-	-	-	7,718	0.00%	-	-	-	-	-	-	-

The Empire District Electric Company
Staff Adjustment to Depreciation Expense
Income Statement Adjustment No. 4
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	(A) Updated Kansas Plant in Service Balance Ending January 31, 2019 CCU-1	(B) Staff Iatan and Plum Point Prudency Adjustment ANJ-1	(C) Staff Common Property Adjustment ANJ-2	(D) Staff TDC Adjustment ANJ-3	(E) Staff Pro Forma Adjusted Plant in Service (A) + (B) + (C) + (D)	(F) Staff Proposed Depreciation Rates RRM-1	(G) Staff Pro Forma Depreciation Expense (E) x (F)	(H) Empire Proposed Annualized Depreciation Expense Section 10	(I) Iatan and Plum Point Depreciation Expense Adjustment ADJ-1	(J) CWIP Adjustment ADJ-5	(K) Merit Increase Adjustment ADJ-16	(L) Empire Pro Forma Adjusted Depreciation Expense (H) + (I) + (J) + (K)	(M) Staff Adjustment to Depreciation Expense (G) - (L)
60	341	Structures	110,258	-	-	-	110,258	1.74%	1,918	1,764	-	17	0	1,782	137
61	342	Fuel Holders	61,175	-	-	-	61,175	1.74%	1,064	-	-	-	-	1,064	1,064
62	343	Prime Movers	1,284,722	-	-	-	1,284,722	1.62%	20,812	37,747	-	-	4	37,751	(16,939)
63	344	Generators	264,470	-	-	-	264,470	1.62%	4,284	-	-	-	-	4,284	4,284
64	345	Access, Electric	103,402	-	-	-	103,402	1.74%	1,799	5,726	-	-	1	5,727	(3,928)
65	346	Misc. Equipment	87,772	-	-	-	87,772	1.74%	1,527	-	-	-	-	1,527	1,527
66		ENERGY CENTER UNITS 1 & 2	1,919,517	-	-	-	1,919,517		31,406	45,237	-	17	5	45,260	(13,854)
67	341	Structures	53,202	-	-	-	53,202	3.05%	1,623	1,742	-	-	0	1,742	(120)
68	342	Fuel Holders	66,192	-	-	-	66,192	3.07%	2,032	1,987	-	4	0	1,991	41
69	343	Prime Movers	2,353,477	-	-	-	2,353,477	2.86%	67,309	75,664	-	1,158	9	76,830	(9,521)
70	344	Generators	29,580	-	-	-	29,580	2.84%	840	947	-	-	0	947	(107)
71	345	Access, Electric	161,145	-	-	-	161,145	3.05%	4,915	5,076	-	-	1	5,077	(162)
72	346	Misc. Equipment	49,301	-	-	-	49,301	3.06%	1,509	1,538	-	-	0	1,538	(30)
73		ENERGY CENTER FT8 UNITS 3 & 4	2,712,897	-	-	-	2,712,897		78,228	86,954	-	1,161	10	88,125	(9,897)
74	340	Land	11,981	-	-	-	11,981	0.00%	-	-	-	-	-	-	-
75		RIVERTON COMMON	11,981	-	-	-	11,981		-	-	-	-	-	-	-
76	341	Structures	403,569	-	-	-	403,569	2.38%	9,605	17,223	-	-	2	17,225	(7,620)
77	342	Fuel Holders	26,235	-	-	-	26,235	2.39%	627	752	-	-	0	752	(125)
78	343	Prime Movers	336,869	-	-	-	336,869	2.22%	7,478	6,175	-	-	1	6,175	1,303
79	344	Generators	84,205	-	-	-	84,205	2.22%	1,869	1,987	-	-	0	1,987	(118)
80	345	Access, Electric	77,990	-	-	-	77,990	2.38%	1,856	2,299	-	153	0	2,452	(595)
81	346	Misc. Equipment	57,599	-	-	-	57,599	2.38%	1,371	1,960	-	-	0	1,960	(590)
82		RIVERTON CT UNITS 9, 10, 11	986,467	-	-	-	986,467		22,807	30,396	-	153	4	30,552	(7,745)
83	341	Structures	843,166	-	-	-	843,166	1.99%	16,779	20,405	-	110	2	20,517	(3,738)
84	342	Fuel Holders	44,746	-	-	-	44,746	1.98%	886	1,441	-	-	0	1,441	(555)
85	343	Prime Movers	7,159,476	-	-	-	7,159,476	1.85%	132,450	143,946	-	28	17	143,991	(11,541)
86	344	Generators	1,010,435	-	-	-	1,010,435	1.85%	18,693	20,714	-	-	2	20,716	(2,023)
87	345	Access, Electric	1,257,253	-	-	-	1,257,253	1.99%	25,019	33,129	-	4	0	33,137	(8,118)
88	346	Misc. Equipment	124,640	-	-	-	124,640	1.99%	2,480	2,630	-	26	0	2,657	(176)
89		RIVERTON UNIT 12	10,439,716	-	-	-	10,439,716		196,308	222,265	-	169	26	222,460	(26,152)
90	340	Land	563	-	-	-	563	0.00%	-	-	-	-	-	-	-
91	341	Structures	52,554	-	-	-	52,554	1.81%	951	-	-	-	-	951	-
92	342	Fuel Holders	150,823	-	-	-	150,823	1.80%	2,715	2,398	-	-	0	2,398	316
93	343	Prime Movers	1,279,448	-	-	-	1,279,448	1.67%	21,367	28,553	-	1,300	3	29,856	(8,490)
94	344	Generators	364,171	-	-	-	364,171	1.68%	6,118	3,324	-	14	0	3,338	2,780
95	345	Access, Electric	157,546	-	-	-	157,546	1.81%	2,852	2,491	-	-	0	2,491	360
96	346	Misc. Equipment	17,215	-	-	-	17,215	1.80%	310	265	-	-	0	265	45
97		STATE LINE CT UNIT 1	2,022,320	-	-	-	2,022,320		34,312	37,031	-	1,314	4	38,350	(4,037)
98															
99	341	Structures	144,579	-	-	-	144,579	2.09%	3,022	3,165	-	-	0	3,165	(143)
100	342	Fuel Holders	10,730	-	-	-	10,730	2.10%	225	-	-	-	-	225	-
101	343	Prime Movers	31,388	-	-	-	31,388	1.95%	612	619	-	-	0	619	(7)
102	344	Generators	-	-	-	-	-	1.95%	-	-	-	-	-	-	-
103	345	Access, Electric	12,264	-	-	-	12,264	2.09%	256	257	-	37	0	294	(38)
104	346	Misc. Equipment	48,800	-	-	-	48,800	2.09%	1,020	1,153	-	-	0	1,153	(133)
105		STATE LINE COMMON	247,761	-	-	-	247,761		5,135	5,194	-	37	1	5,231	(95)
106	340	Land	39,694	-	-	-	39,694	0.00%	-	-	-	-	-	-	-
107	341	Structures	373,363	-	-	-	373,363	2.09%	7,803	8,176	-	-	1	8,177	(374)
108	342	Fuel Holders	9,671	-	-	-	9,671	2.10%	203	-	-	-	-	203	-
109	343	Prime Movers	5,102,783	-	-	-	5,102,783	1.95%	99,504	105,784	-	126	12	105,922	(6,418)
110	344	Generators	1,433,518	-	-	-	1,433,518	1.95%	27,954	35,838	-	-	4	35,842	(7,889)
111	345	Access, Electric	405,386	-	-	-	405,386	2.09%	8,473	11,183	-	117	1	11,301	(2,829)
112	346	Misc. Equipment	130,632	-	-	-	130,632	2.09%	2,730	3,214	-	-	0	3,214	(484)
113		STATE LINE CC	7,495,046	-	-	-	7,495,046		146,667	164,195	-	243	19	164,457	(17,790)
114		TOTAL OTHER PRODUCTION PLANT:	25,835,705	-	-	-	25,835,705		514,864	591,271	-	3,094	70	594,435	(79,571)
115		TOTAL PRODUCTION	63,843,361	(255,255)	-	-	63,588,106		1,618,856	1,896,364	(1,033)	7,372	245	1,902,949	(284,092)
116	350	Land	564,261	-	-	(564,261)	-	0.00%	-	-	-	-	-	-	-
117	352	Structures	180,506	-	-	(180,506)	-	1.52%	-	-	-	-	-	-	-

The Empire District Electric Company
Staff Adjustment to Depreciation Expense
Income Statement Adjustment No. 4
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	(A) Updated Kansas Plant in Service Balance Ending January 31, 2019 CCU-1	(B) Staff Iatan and Plum Point Prudency Adjustment ANJ-1	(C) Staff Common Property Adjustment ANJ-2	(D) Staff TDC Adjustment ANJ-3	(E) Staff Pro Forma Adjusted Plant in Service (A) + (B) + (C) + (D)	(F) Staff Proposed Depreciation Rates RRM-1	(G) Staff Pro Forma Depreciation Expense (E) x (F)	(H) Empire Proposed Annualized Depreciation Expense Section 10	(I) Iatan and Plum Point Depreciation Expense Adjustment ADI-1	(J) CWIP Adjustment ADI-5	(K) Merit Increase Adjustment ADI-16	(L) Empire Pro Forma Adjusted Depreciation Expense (H) + (I) + (J) + (K)	(M) Staff Adjustment to Depreciation Expense (G) - (L)
118	352	Structures (Iatan)	1,089	-	-	(1,089)	-	1.52%	-	-	-	-	-	-	-
119	353	Station Equip.	8,183,496	-	-	(8,183,496)	-	2.09%	-	-	-	-	-	-	-
120	353	Station Eq. (Iatan)	28,861	-	-	(28,861)	-	2.09%	-	-	-	-	-	-	-
121	354	Towers & Fixtures	101,319	-	-	(101,319)	-	2.30%	-	-	-	-	-	-	-
122	355	Poles & Fixtures	4,553,717	-	-	(4,553,717)	-	5.27%	-	-	-	-	-	-	-
123	356	OH Conductor	4,605,569	-	-	(4,605,569)	-	1.62%	-	-	-	-	-	-	-
124		TRANSMISSION	18,218,818	-	-	(18,218,818)	-		-	-	-	-	-	-	-
125	360	Land	219,428	-	-	-	219,428	0.00%	-	-	-	-	-	-	-
126	361	Structures	693,149	-	-	-	693,149	1.86%	12,893	10,813	-	-	2	10,815	2,077
127	362	Station Equip.	4,699,323	-	-	-	4,699,323	2.04%	95,866	102,848	-	-	20	102,868	(7,002)
128	364	Poles & Fixtures	19,079,884	-	-	-	19,079,884	4.11%	784,183	751,182	-	996	148	752,325	31,859
129	365	OH Conductor	13,801,120	-	-	-	13,801,120	2.83%	393,332	461,880	-	460	91	462,431	(69,099)
130	366	UG Conduit	661,767	-	-	-	661,767	1.94%	12,838	17,281	-	-	3	17,285	(4,446)
131	367	UG Conductor	821,266	-	-	-	821,266	1.97%	16,179	20,695	-	-	4	20,699	(4,520)
132	368	Transformers	5,753,619	-	-	-	5,753,619	1.81%	104,141	115,993	-	-	23	116,015	(11,875)
133	369	Services	4,827,148	-	-	-	4,827,148	2.83%	137,574	203,040	-	-	40	203,080	(65,506)
134	370	Meters	1,368,545	-	-	-	1,368,545	2.28%	31,203	33,216	-	-	7	33,223	(2,020)
135	371	Private Lights	1,582,772	-	-	-	1,582,772	3.06%	48,433	68,840	-	-	14	68,853	(20,421)
136	373	Street Lights	1,012,939	-	-	-	1,012,939	3.70%	37,479	34,577	-	-	7	34,584	2,895
137	375	Charging Stations	-	-	-	-	-	0.00%	-	-	-	-	-	-	-
138		DISTRIBUTION	54,520,961	-	-	-	54,520,961		1,674,120	1,820,364	-	1,455	358	1,822,177	(148,058)
139	399	Land	53,054	-	(3,059)	(3,739)	46,256	0.00%	-	-	-	-	-	-	-
140	390	Structure	613,686	-	(35,885)	(43,208)	534,594	2.24%	11,975	14,625	-	393	2	15,019	(3,045)
141	391	Furniture	318,454	-	(17,209)	(22,527)	278,718	4.64%	12,933	13,351	-	299	2	13,651	(719)
142	391	Computer Equip.	744,556	-	(42,299)	(52,514)	649,742	10.00%	64,974	67,524	-	166	9	67,699	(2,724)
143	392	Transport. Equip.	746,189	-	-	(55,800)	690,389	4.29%	29,618	46,593	-	-	6	46,599	(16,982)
144	393	Stores Equip.	44,008	-	-	(3,291)	40,717	1.65%	672	965	-	6	0	972	(300)
145	394	Tools	356,263	-	-	(26,641)	329,621	4.09%	13,482	15,839	-	-	2	15,841	(2,360)
146	395	Lab Equipment	100,989	-	-	(7,552)	93,437	1.30%	1,215	1,932	-	13	0	1,945	(730)
147	396	Power Op. Equip.	889,950	-	-	(66,550)	823,400	4.56%	37,547	46,289	-	-	6	46,295	(8,748)
148	397	Communication	598,726	-	(18,864)	(43,362)	536,500	4.02%	21,567	25,304	-	6	3	25,312	(3,745)
149	398	Misc. Equipment	13,932	-	(623)	(995)	12,313	1.40%	172	387	-	-	0	387	(215)
150		GENERAL	4,479,806	-	(117,939)	(326,178)	4,035,688		194,154	232,809	-	883	29	233,721	(39,567)
151		TOTAL DEPRECIATION EXPENSE	\$ 141,062,946	\$ (255,255)	\$ (117,939)	\$ (18,544,997)	\$ 122,144,755		\$ 3,487,130	\$ 3,949,538	\$ (1,033)	\$ 9,710	\$ 632	\$ 3,958,847	\$ (471,717)

Sources: Empire Application, Section 10
Staff Adjustment No. RB-1 - Plant in Service
Staff Depreciation Study sponsored by Staff witness Roxie McCullar

The Empire District Electric Company
Staff Adjustment to Amortization Expense
Income Statement Adjustment No. 4
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Total Company Test Year Ending Balance	Staff Adjustment	Staff Adjusted Amortization Expense	Staff Kansas Adjusted Amortization Expense (Note 1)	Empire Adjusted Amortization Expense	Staff Adjustment to Amortization Expense
		Amortization of Electric Plant						
1	403003	MO Iat I Amrt O&M ER-2010-0130	\$ 40,693	\$ 3,816	\$ 44,509	\$ -	\$ -	\$ -
2	403009	MO Iat II Amrt O&M ER-2011-0004	40,400	6,997	47,397	-	-	-
3	403011	MO PlmPt Amrt O&M ER-2011-0004	665	(3)	662	-	-	-
4	403012	Def Deprec 5-22-11 tornado	134,549	-	134,549	-	-	-
5	404000	Amort Ltd-Term Elect/Gas Plant	3,709,342	177,471	3,886,813	197,914	186,185	11,729
6		Staff Adjustment to Amortization Expense	\$ 3,925,649	\$ 188,281	\$ 4,113,930	\$ 197,914	\$ 186,185	\$ 11,729

Note 1:

Accounts are direct assigned

Sources: Empire Application, Section 10
Supplemental Response to Data Request No. KCC-209

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge
Income Statement Adjustment No. 5
For the Test Year Ended June 30, 2018

Line No.	Description	Staff Test Year Adjustment	Staff TDC Adjustment	Total
1	Transmission O&M Expense	-	9,186	9,186
2	Administrative & General Expense	22,167	19,628	41,796
3	Taxes Other Than Income	7,132	2,198	9,330
4	Staff Income Statement Adjustment to Transmission Delivery Charge	29,299	31,012	<u>60,312</u>

Source: Exhibits ANJ-8(a) through ANJ-8(e)

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - O&M Expense
Income Statement Adjustment No. 5
For the Test Year Ended June 30, 2018

Line No.	FERC Account Description	Staff Adjustments to A&G Expense	TDC Adj	%	Staff TDC Adjustment to A&G Expense	
		Pre-Transmission Removal (KS Jurisdictional)	TFR Allocation			
(Note 1)						
1	560	Operation Supervision and Engineering	(1,098)	DA	100.000%	1,098
2	561	Load Dispatch	(2,739)	DA	100.000%	2,739
3	562	Station Expenses	(949)	DA	100.000%	949
4	563	Overhead Line Expense	(133)	DA	100.000%	133
5	565	Transmission of Electricity by Others		DA	100.000%	-
6	566	Miscellaneous Transmission Expenses	(457)	DA	100.000%	457
7	567	Rents - Transmission		DA	100.000%	-
8	568	Maintenance Supervision and Engineering	(522)	DA	100.000%	522
9	569	Maintenance of Structures	(20)	DA	100.000%	20
10	570	Maintenance of Station Equipment	(2,423)	DA	100.000%	2,423
11	571	Maintenance of Overhead Lines	(845)	DA	100.000%	845
12	Total		(9,186)			9,186

Note 1:

DA Direct Assignment for 100% Transmission-Related

Sources: Exhibit BAH-6
Exhibits KLF-1 and KLF-2

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - A&G Expense
Income Statement Adjustment No. 5
For the Test Year Ended June 30, 2018

Line No.	FERC Account Description	Total Company Balance	Kansas Blended Allocation	Kansas Ending Balance	Empire Proforma Adjustments	Kansas Adjusted Balance	TDC Adj TFR Allocation	%	Staff Adjusted TDC	Empire Adjusted TDC	Staff TDC Adjustment
(Note 1)											
<u>Other Administrative and General Expenses</u>											
1	426 Other Deductions	1,646,393	13.29%	61,068.00	-	61,068.00	W/S	7.478%	(4,566.64)	(6,623.48)	2,056.85
2	920 Administrative and General Salaries	10,406,506	6.42%	440,866.77	(56,463.96)	384,402.81	W/S	7.478%	(28,745.47)	(47,816.76)	19,071.29
3	921 Office Supplies and Expenses	3,954,382	4.24%	167,631.80	(16,546.85)	151,084.95	W/S	7.478%	(11,298.06)	(18,181.48)	6,883.41
4	922 Administrative Expenses	(6,794,309)	4.24%	(288,020.29)	64,153.80	(223,866.49)	W/S	7.478%	16,740.63	31,238.91	(14,498.27)
5	923 Outside Services	17,085,181	4.24%	724,264.76	(165,992.41)	558,272.35	W/S	7.478%	(41,747.35)	(78,554.32)	36,806.97
6	924 Property Insurance	2,597,115	4.24%	110,095.35	(30,034.37)	80,060.98	W/S	7.478%	(5,986.92)	(11,941.03)	5,954.10
7	925 Injuries and Damages	1,002,401	4.24%	42,493.20	3.03	42,496.23	W/S	7.478%	(3,177.85)	(4,608.85)	1,431.00
8	926 Employee Pensions and Benefits	19,553,631	3.90%	655,401.74	795,757.67	1,451,159.41	W/S	7.478%	(108,517.04)	(71,085.39)	(37,431.65)
9	929 Duplicate Charges	(276,657)	4.24%	(11,727.86)	-	(11,727.86)	W/S	7.478%	877.00	1,272.01	(395.01)
10	930.1 General Advertising Expenses	13,719	4.24%	581.55	41.17	622.72	W/S	7.478%	(46.57)	(63.08)	16.51
11	930.2 Miscellaneous General Expenses	728,703	3.77%	30,890.75	(5,105.33)	25,785.42	W/S	7.478%	(1,928.22)	(3,350.44)	1,422.21
12	931 Rents	8,103	4.24%	343.51	-	343.51	W/S	7.478%	(25.69)	(37.26)	11.57
13	935 Maintenance of General Plant	620,705	4.24%	26,312.57	641.56	26,954.13	W/S	7.478%	(2,015.62)	(2,853.88)	838.26
14	Total	<u>50,545,875</u>		<u>1,960,202</u>	<u>586,454</u>	<u>2,546,656</u>			<u>(190,438)</u>	<u>(212,605)</u>	<u>22,167</u>

Note 1:
W/S Wages and Salary Allocator

Source: Empire Pro Forma Adjustment ADJ 17 Workpapers

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - A&G Expense
Income Statement Adjustment No. 5
For the Test Year Ended June 30, 2018

Line No.	FERC Account Description	Staff Adjustments to A&G Expense Pre-Transmission Removal (KS Jurisdictional)	TDC Adj TFR Allocation	%	Staff TDC Adjustment to A&G Expense
			(Note 1)		
	<u>Other Administrative and General Expenses</u>				
1	426 Other Deductions	317	W/S	7.478%	(23.71)
2	920 Administrative and General Salaries	(70,139)	W/S	7.478%	5,244.96
3	921 Office Supplies and Expenses	(8,779)	W/S	7.478%	656.49
4	922 Administrative Expenses	14,849	W/S	7.478%	(1,110.40)
5	923 Outside Services	(35,335)	W/S	7.478%	2,642.34
6	924 Property Insurance	(6,557)	W/S	7.478%	490.33
7	925 Injuries and Damages	(213)	W/S	7.478%	15.93
8	926 Employee Pensions and Benefits	(153,409)	W/S	7.478%	11,471.86
9	929 Duplicate Charges		W/S	7.478%	-
10	930.1 General Advertising Expenses	(154)	W/S	7.478%	11.52
11	930.2 Miscellaneous General Expenses	(2,260)	W/S	7.478%	169.00
12	931 Rents		W/S	7.478%	-
13	935 Maintenance of General Plant	(804)	W/S	7.478%	60.12
14	Total	<u>(262,484)</u>			<u>19,628</u>

Note 1:

W/S Wages and Salary Allocator

Sources: Exhibit BAH-9

Exhibits KLF -1 through KLF-5

Exhibits WEB - IS 1 and WEB - IS 2

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - Taxes Other Than Income Taxes
Income Statement Adjustment No. 5
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Total Company Balance	Kansas Allocation	Kansas Ending Balance	Empire Proforma Adjustments	Kansas Adjusted Balance	TDC Adj TFR Allocation	%	Staff Adjusted TDC	Empire Adjusted TDC	Staff TDC Adjustment
(Note 1)												
<u>Taxes Other Than Income Taxes</u>												
1	408000	Payroll Taxes Contra Account	(43,148)	4.24%	(1,829)	(58)	(1,887)	W/S	7.478%	141		141
2	408141	Federal Insurance Contribution Act	3,158,761	4.24%	133,904	4,265	138,169	W/S	7.478%	(10,332)	(14,397)	4,064
3	408144	Payroll Taxes - Iatan	227,743	4.24%	9,654	307	9,962	W/S	7.478%	(745)		(745)
4	408511	Federal Unemployment	21,613	4.24%	916	29	945	W/S	7.478%	(71)		(71)
5	408512	State Unemployment	107,494	4.24%	4,557	145	4,702	W/S	7.478%	(352)		(352)
6	408610	Property Taxes-Electric/Gas	22,384,123	5.01%	1,122,560	(663)	1,121,898	GP	13.343%	(149,695)	(153,789)	4,094
7	408910	Prov-Ecorp Franchise Tx-Ele/Ga	27,032		95	(95)	-	NA	0.000%	-		-
8	408930	Prov-City Tax Or Fee-Elect/Gas	10,585,926		471,195	(471,195)	0	NA	0.000%	-		-
9		Total	<u>36,469,544</u>		<u>1,741,053</u>	<u>(467,264)</u>	<u>1,273,789</u>			<u>(161,053)</u>	<u>(168,185)</u>	<u>7,132</u>

Note 1:

GP Gross Plant Allocator
W/S Wages and Salary Allocator
NA Not applicable for Non-Transmission Related

Source: Empire Pro Forma Adjustment ADJ 17 Workpapers

The Empire District Electric Company
Staff Adjustment to Transmission Delivery Charge - Taxes Other Than Income Taxes
Income Statement Adjustment No. 5
For the Test Year Ended June 30, 2018

Line No.	FERC Account	Description	Staff Adjustments to Other Taxes	TDC Adj	%	Staff TDC Adjustment to Income Tax
			Pre-Transmission Removal (KS Jurisdictional)	TFR Allocation (Note 1)		
		<u>Taxes Other Than Income Taxes</u>				
1	408000	Payroll Taxes Contra Account		W/S	7.478%	-
2	408141	Federal Insurance Contribution Act	(17,979)	W/S	7.478%	1,344
3	408144	Payroll Taxes - Iatan		W/S	7.478%	-
4	408511	Federal Unemployment		W/S	7.478%	-
5	408512	State Unemployment		W/S	7.478%	-
6	408610	Property Taxes-Electric/Gas	(6,394)	GP	13.343%	853
7	408910	Prov-Ecorp Franchise Tx-Ele/Ga		NA	0.000%	-
8	408930	Prov-City Tax Or Fee-Elect/Gas		NA	0.000%	-
9		Total	<u>(24,373)</u>			<u>2,198</u>

Note 1:

GP Gross Plant Allocator
W/S Wages and Salary Allocator
NA Not applicable for Non-Transmission Related

Sources: Exhibit ANJ-5
Exhibit KLF-1

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
TDC Rider Revenue Requirement

Test Year Ending June 30, 2018 - Based on 2017 Data					
Line No.	Description	Reference	Kansas Ending Balance at December 31, 2017	Pro Forma Adjustments	Kansas Adjusted Ending Balance
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	Rate Base	TDC Rate Base	\$ 11,486,584	\$ -	\$ 11,486,584
2	Revenues	TDC Operating Income	50,184	-	50,184
3	Expenses	TDC Operating Income	1,841,173	-	1,841,173
4	Net Operating (Loss) Before Taxes	Line 2 - Line 3	(1,790,989)	-	(1,790,989)
5	Income tax	TFR Calculation	296,854	-	296,854
6	Net Operating Income (Loss) After Taxes	Line 4 - Line 5	(2,087,843)	-	(2,087,843)
7	Current Rate of Return	(Line 6 / Line 1)	-18.18%		-18.18%
8	Rate of Return Requested	TDC Rate of Return	7.54%		7.54%
9	Required Net Operating Income	(Line 8 x Line 1)	866,382	-	866,382
10	Gross Revenue Requirement	(Line 9 - Line 6)	2,954,224	-	2,954,224
11	Revenue Requirement Collected by SPP under SPP OATT for Regional Upgrades	TDC Operating Income	245,755	-	245,755
12	Annual Total TDC Revenue Requirement:	Line 10 - Line 11	\$ 2,708,470	\$ -	\$ 2,708,470

Sources: ANJ-9(a) - TDC Rate Base
ANJ-9(b) - TDC Operating Income
ANJ-9(c) - TDC Rate of Return
ANJ-9(h) - TFR Calculation

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
TDC Rate Base

Test Year Ending June 30, 2018					
Line No.	Description	Reference	Kansas Ending Balance at December 31, 2017	Pro Forma Adjustments	Kansas Adjusted Ending Balance
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	Electric Plant in Service	TFR Calculation	\$ 17,895,502		\$ 17,895,502
2	Less: Accumulated Depreciation	TFR Calculation	<u>(4,864,472)</u>		<u>(4,864,472)</u>
3	Net Plant in Service	Line 1 + Line 2	13,031,030	-	13,031,030
4	Accumulated Deferred Income Taxes	TFR Calculation	(1,770,823)		(1,770,823)
5	Prepaid Expenses	TFR Calculation	61,220		61,220
6	Material & Supplies	TFR Calculation	139,771		139,771
7	Allowance for Cash Working Capital	TFR Calculation	<u>25,385</u>		<u>25,385</u>
8	Total Rate Base	Sum Line 3 through Line 7	<u>\$ 11,486,584</u>	<u>\$ -</u>	<u>11,486,584</u>

Source: ANJ-9(h) - TFR Calculation

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
TDC Operating Income

Test Year Ending June 30, 2018					
Line No.	Description	Reference	Kansas Ending Balance at December 31, 2017	Pro Forma Adjustments	Kansas Adjusted Ending Balance
	(a)	(b)	(c)	(d)	(e) = (c) + (d)
1	Revenue Credits	TDC Rev Credits & Other	\$ 50,184	\$ -	\$ 50,184
2	Electric Utility Operating Expenses:				
3	Transmission	Transmission Expense Details	1,250,535	-	1,250,535
4	Other Expenses	Other Expenses	14,424	-	14,424
5	Administrative & General Expenses	Other Expenses	188,377	-	188,377
6	Depreciation & Amortization Expense	Other Expenses	414,918	-	414,918
7	Taxes Other than Income Taxes	Other Expenses	160,082	-	160,082
8	Adjustments	TDC Rev Credits & Other	(187,163)	-	(187,163)
9	Total Electric Utility Operating Expense		1,841,173	-	1,841,173
10	Total Rev. Rqmt. Collected by SPP under SPP OATT for Regional Upgrades	ADJ 17 TDC Adjustment	\$ 245,755	\$ -	\$ 245,755

Sources: Exhibit ANJ-9(d) - TDC Rev Credits & Other
Exhibit ANJ-9(e) - Transmission Expense Details
Exhibit ANJ-9(f) - Other Expenses
ANJ-9 (g) - ADJ 17 TDC Adjustment

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
TDC Rate of Return

Test Year Ending June 30, 2018 -Based on 2017 Data					
Line No.	Description	Reference	Percentage	Cost Rate	Rate of Return
	(a)	(b)	(c)	(d)	(e) = (c) *(d)
1	Long Term Debt	TFR Calculation	51.08%	5.19%	2.65%
2	Common Equity	TFR Calculation	48.92%	10.00%	4.89%
3	Total		<u>100.00%</u>		<u>7.54%</u>

Source: ANJ-9(h) - TFR Calculation

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
TDC Revenue Credits and Other

Test Year Ending June 30, 2018 -Based on 2017 Data								
Line No.	GL Account	Description	Reference	Total Company Ending Balance at December 31, 2017	Transmission / Distribution Revenue Allocator Factor	Amount Allocated to TFR/TDC	Kansas Retail Allocator	Kansas Retail Adjusted Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) * (e)	(g)	(h) = (f) * (g)
1	454010	Rent from Elec Property-Ark	TFR Calculation	\$ 25,870	31.64%	\$ 8,185	4.15%	\$ 339
2	454020	Rent from Elec Property-Ks	TFR Calculation	33,621	31.64%	10,637	4.15%	441
3	454030	Rent from Elec Property-Mo	TFR Calculation	978,244	31.64%	309,494	4.15%	12,833
4	454040	Rent from Elec Property-Okla	TFR Calculation	21,218	31.64%	6,713	4.15%	278
5	457137	Ot El RvOffSys LTFSTF PTP Trns	TFR Calculation	789,688	100%	789,688	4.15%	32,744
6	457138	Ot El RvOffSys NnFrm PTP Trns	TFR Calculation	77,376	100%	77,376	4.15%	3,208
7	457151	Oth El Rev-Off-Sys Transm	TFR Calculation	5,406	100%	5,406	4.15%	224
		Other Revenues Associated with Loads Outside of Empire's Zone						
8			TFR Calculation	2,791	100%	2,791	4.15%	116
9		Refunds and Surcharges	TFR Calculation	(3,870,834)	100.00%	(3,870,834)	4.84%	(187,163)
10		Total		\$ (1,936,621)		\$ (2,660,545)		\$ (136,979)

Source: ANJ-9(h) - TFR Calculation

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
Transmission Expense Details

Test Year Ending June 30, 2018 -Based on 2017 Data													
Line No.	FER C	GL Account	Description	Reference	Total Company			Kansas					Pro Forma Ending Balance
					Ending Balance at 12/31/2017	Excluded From Schedule 11 TFR Formula	Schedule 11 Expenses Recovered Through FERC TFR Formula	Kansas Retail Allocator	Kansas Allocation	Reclass	Reclassified 12/31/2017 Balance	Additional Schedule Expenses to Be Recovered	
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e) + (f)	(h)	(i) = (g) x (h)	(j)	(k) = (i) + (j)	(l)	(m) = (k) + (l)
TRANSMISSION EXPENSES													
1	560	560011	Conv & Seminar-Transm Op	*	\$ 94,512	\$ -	\$ 94,512	4.84%	(1) \$ 4,579	\$ -	\$ 4,579	\$ -	\$ 4,579
2	560	560025	Safety Expenses-Line Eng		528		528	4.84%	(1) 26		26		26
3	560	560046	Computer Software-Engineer		40,611		40,611	4.84%	(1) 1,968		1,968		1,968
4	560	560449	Transm Operation Super & Engr		-		-	4.84%	(1) -		-		-
5	560	560490	Computer Programming		-		-	4.84%	(1) -		-		-
6	560	560628	T & D Eng-Oper Supervision		105,701		105,701	4.84%	(1) 5,121		5,121		5,121
7	560	560629	Transmission System Planning		193,285		193,285	4.84%	(1) 9,364		9,364		9,364
8	561	561012	Load Dispatching Training		247		247	4.84%	(1) 12		12		12
9	561	561404	Transm System Operations		606,114	(606,114)	-	4.84%	(1) -		-	29,365	29,365
10	561	561450	Transm Oper-Load Dispatching		1,301	(1,301)	-	4.84%	(1) -		-	63	63
11	561	561501	NERC - Facilities Rating		-		-	4.84%	(1) -		-		-
12	561	561505	Power Line Carrier Expenses		27,322		27,322	4.84%	(1) 1,324		1,324		1,324
13	562	562010	Transm Substation Operations		210,035		210,035	4.84%	(1) 10,176		10,176		10,176
14	562	562111	Exp of Substation & Switchyard		3,528		3,528	4.84%	(1) 171		171		171
15	562	562121	Substation Expenses		3,451		3,451	4.84%	(1) 167		167		167
16	562	562134	Mtee Of Substation Switchyard		279,305		279,305	4.84%	(1) 13,532		13,532		13,532
17	562	562452	Transmission Station Expenses		-		-	4.84%	(1) -		-		-
18	563	563011	Overhead Trans Line Oper-161Kv		5,436		5,436	4.84%	(1) 263		263		263
19	563	563012	Overhead Trans Line Oper-69 Kv		34,650		34,650	4.84%	(1) 1,679		1,679		1,679
20	563	563014	Overhead Trans Ln Oper-34.5 Kv		2,632		2,632	4.84%	(1) 127		127		127
21	563	563015	Overhead Trans Line Oper-Other		4,657		4,657	4.84%	(1) 226		226		226
22	565	565413	Trans Of Electricity By Others		-		-	4.84%	(1) -		-		-
23	565	565414	SPP Fixed Chg - Native Load		14,640,246	(14,640,246)	-	5.13%	(2) -		-	750,396	750,396
24	565	565415	SPP Var Chg - Native Load		314,070	(314,070)	-	4.84%	(1) -		-	15,216	15,216
25	565	565416	Non SPP Fixed Chg -Native Load		3,936,506	(3,936,506)	-	4.84%	(1) -		-	190,714	190,714
26	566	566419	Off Svs Sales Trans Costs		-		-	4.84%	(1) -		-		-
27	566	566450	RTO/ISO Development		152,528		152,528	4.84%	(1) 7,390		7,390		7,390
28	566	566458	Misc Transmission Expenses		123		123	4.84%	(1) 6		6		6
29	566	566459	NERC Compliance/CIPS (706)		104,539		104,539	4.84%	(1) 5,065		5,065		5,065
30	566	566462	NERC Compliance/EOP (693)		87,080		87,080	4.84%	(1) 4,219		4,219		4,219
31	567	567007	Rents - Transmission		175		175	4.84%	(1) 8		8		8
32	568	568631	T & D Eng-Maint Supervision		132,282		132,282	4.84%	(1) 6,409		6,409		6,409
33	569	569037	Trans Substa Structure Maint		8,567		8,567	4.84%	(1) 415		415		415
34	569	569203	General Maint-System Ops		7,689		7,689	4.84%	(1) 373		373		373
35	570	570040	Trans Substa Equip Maintenance		422,019		422,019	4.84%	(1) 20,446		20,446		20,446
36	570	570043	Trans Sub Breaker Routine Mtee		120,260		120,260	4.84%	(1) 5,826		5,826		5,826
37	570	570044	TransSub Trnsfmr Routine Mtee		144,275		144,275	4.84%	(1) 6,990		6,990		6,990
38	570	570060	Trans Substation Inspections		69,416		69,416	4.84%	(1) 3,363		3,363		3,363
39	570	570177	Substation Maintenance - Plant		39,189		39,189	4.84%	(1) 1,899		1,899		1,899
40	570	570472	Transmission-Relays & Misc Eq		368,468		368,468	4.84%	(1) 17,851		17,851		17,851
41	570	570475	Generation - Relays & Misc Eq		36,879		36,879	4.84%	(1) 1,787		1,787		1,787
42	570	570511	Protection Relaying Channel Eq		6,419		6,419	4.84%	(1) 311		311		311
43	570	570517	Scada		359,932		359,932	4.84%	(1) 17,438		17,438		17,438
44	571	571001	OH Trans Tree Trimming Superv		170,602		170,602	4.84%	(1) 8,265		8,265		8,265
45	571	571041	Oh Trans Line Maint-161Kv		(15,242)		(15,242)	4.84%	(1) (738)		(738)		(738)
46	571	571042	Overhead Trans Line Maint-69Kv		30,298		30,298	4.84%	(1) 1,468		1,468		1,468
47	571	571043	Oh Trans Line Maint-345 Kv		90,759		90,759	4.84%	(1) 4,397		4,397		4,397
48	571	571044	Oh Trans Line Maint-34.5Kv		465		465	4.84%	(1) 23		23		23
49	571	571045	Oh Trans Line Maint-Other		10,569		10,569	4.84%	(1) 512		512		512
50	571	571046	Oh Trans Line Tree Trim-345 Kv		49,911		49,911	4.84%	(1) 2,418		2,418		2,418
51	571	571047	Oh Trans Line Tree Trim-161Kv		28,385		28,385	4.84%	(1) 1,375		1,375		1,375
52	571	571048	Oh Trans Line Tree Trim-69 Kv		110,882		110,882	4.84%	(1) 5,372		5,372		5,372
53	571	571050	Oh Trans Ln Tree Trim-34.5 Kv		5,250		5,250	4.84%	(1) 254		254		254
54	571	571051	Oh Trans Line Tree Trim-Other		-		-	4.84%	(1) -		-		-
55	571	571062	Trans OH reliab - labor&other		19,306		19,306	4.84%	(1) 935		935		935
56	571	571146	Chemical Tree Trim 345Kv		52,572		52,572	4.84%	(1) 2,547		2,547		2,547
57	571	571147	Chemical Tree Trim 161Kv		812,589		812,589	4.84%	(1) 39,368		39,368		39,368

Test Year Ending June 30, 2018 -Based on 2017 Data

Line No.	FER C	GL Account	Description	Reference	Total Company			Kansas					
					Ending Balance at 12/31/2017	Excluded From Schedule 11 TFR Formula	Schedule 11 Expenses Recovered Through FERC TFR Formula	Kansas Retail Allocator	Kansas Allocation	Reclass	Reclassified 12/31/2017 Balance	Additional Schedule Expenses to Be Recovered	Pro Forma Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f)	(g) = (e) + (f)	(h)	(i) = (g) x (h)	(i)	(k) = (i) + (j)	(l)	(m) = (k) + (l)
58	571	571148	Chemical Tree Trim 69Kv		326,494	-	326,494	4.84%	(1) 15,818	-	15,818	-	15,818
59	571	571150	Chemical Tree Trim 34.5Kv		-	-	-	4.84%	(1) -	-	-	-	-
60	571	571246	Side Trimming 345Kv		-	-	-	4.84%	(1) -	-	-	-	-
61	571	571247	Side Trimming 161Kv		-	-	-	4.84%	(1) -	-	-	-	-
62	571	571248	Side Trimming 69Kv		28,981	-	28,981	4.84%	(1) 1,404	-	1,404	-	1,404
63	571	571250	Side Trimming 34.5Kv		5,147	-	5,147	4.84%	(1) 249	-	249	-	249
64	571	571346	Transm Tree Trimming 345Kv		-	-	-	4.84%	(1) -	-	-	-	-
65	571	571347	Transm Tree Trimming 161Kv		2,080	-	2,080	4.84%	(1) 101	-	101	-	101
66	571	571348	Trans Tree Trimming 69Kv		765	-	765	4.84%	(1) 37	-	37	-	37
67	571	571350	Transm Tree Trimming 34.5Kv		520	-	520	4.84%	(1) 25	-	25	-	25
68	571	571447	Hydro-Ax Tree Trim 161Kv		-	-	-	4.84%	(1) -	-	-	-	-
69	571	571448	Hydro-Ax Tree Trim 69Kv		51,333	-	51,333	4.84%	(1) 2,487	-	2,487	-	2,487
70	571	571450	Hydro-Ax Tree Trim 34.5Kv		250	-	250	4.84%	(1) 12	-	12	-	12
71	571	571546	Tree Grinder-Tree Trim 345kv		-	-	-	4.84%	(1) -	-	-	-	-
72	571	571547	Tree Grinder-Tree Trim 161kv		13,468	-	13,468	4.84%	(1) 652	-	652	-	652
73	571	571548	Tree Grinder-Tree Trim 69kv		73,776	-	73,776	4.84%	(1) 3,574	-	3,574	-	3,574
74	571	571646	Dozer-Tree Trim 345kv		-	-	-	4.84%	(1) -	-	-	-	-
75	571	571647	Dozer-Tree Trim 161kv		577	-	577	4.84%	(1) 28	-	28	-	28
76	571	571648	Dozer-Tree Trim 69kv		172,430	-	172,430	4.84%	(1) 8,354	-	8,354	-	8,354
77	571	571652	Trans 69Kv Pole Inspctn&Trmnt		35,000	-	35,000	4.84%	(1) 1,696	-	1,696	-	1,696
78	571	571656	Trans 345Kv Pole Inspctn&Trmnt		60,183	-	60,183	4.84%	(1) 2,916	-	2,916	-	2,916
79	571	571658	Trans 34.5Kv Pole Inspctn&Trmnt		426	-	426	4.84%	(1) 21	-	21	-	21
80	571	571740	TGR Tree Trimming-Transmission		4,747	-	4,747	4.84%	(1) 230	-	230	-	230
81	571	571910	Transm Maint 161KV Reliability		38,081	-	38,081	4.84%	(1) 1,845	-	1,845	-	1,845
82	571	571911	Transm Maint 69KV Reliability		(64,495)	-	(64,495)	4.84%	(1) (3,125)	-	(3,125)	-	(3,125)
83	571	571912	Transm Maint 345KV Reliability		2,134	-	2,134	4.84%	(1) 103	-	103	-	103
84	571	571913	Trans Maint 34.5KV Reliability		659	-	659	4.84%	(1) 32	-	32	-	32
85	571	571920	Transm 69KV Pole Inspec Reliab		280,715	-	280,715	4.84%	(1) 13,600	-	13,600	-	13,600
86	571	571921	Transm 161KV Pole Inspec Reliab		-	-	-	4.84%	(1) -	-	-	-	-
87	571	571998	Trans Reliab Reg Adj Amort		61,980	-	61,980	0.00%	(3) -	-	-	-	-
88	571	571999	Trans Reliability Reg Adj		-	-	-	0.00%	(3) -	-	-	-	-
89			Total Transmission Expenses:		\$ 25,025,575	\$ (19,498,237)	\$ 5,527,338		\$ 264,783	\$ -	\$ 264,783	\$ 985,753	\$ 1,250,535

Footnotes:

- (1) Allocation WP-12-month average peak
(2) Allocation SPP Fixed Charge WP-12-month average peak
(3) Allocation Direct Assigned

Tickmarks:

* = Traced and Agreed To 12/31/17 Trial Balance

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
Other Expenses

Test Year Ending June 30, 2018 -Based on 2017 Data						
Line No.	FERC	Description	Reference	Kansas		
				Ending Balance at 12/31/2017	Pro Forma Adjustments	Pro Forma Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
1	Various	Allocated Administrative & General Expenses	TFR Calculation	\$ 188,377	\$ -	\$ 188,377
2	403	Allocated Depreciation & Amortization Expense	TFR Calculation	414,918	-	414,918
3	408	Taxes Other Than Income Taxes	TFR Calculation	160,082	-	160,082
4	557.4	Pool Operation	ADJ 17 TDC Adjustment	\$ 14,424	\$ -	\$ 14,424

Sources: ANJ-9 (g) - ADJ 17 TDC Adjustment
ANJ-9(h) - TFR Calculation

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
ADJ 17 TDC Adjustment

Test Year End June 30, 2018 Based on 2017 Data

Line No.	FERC	Description	Reference	Kansas Allocation
	(a)	(b)	(c)	(d)
		<u>Rate Base Items:</u>		
1		<i>TFR Transmission Plant in Service</i>	TFR Calculation	\$ (17,426,153)
2	Var.	Remove remaining transmission balance (timing)	Section 4	(209,242)
3	Var.	General & Intangible Plant in Service	TFR Calculation	(469,349)
4		Total Plant in Service		<u>(18,104,744)</u>
5		<i>TFR Transmission Accumulated Depreciation</i>	TFR Calculation	4,614,089
6	Var.	Remove remaining transmission balance (timing)	Section 5	316,872
7	Var.	General & Intangible Plant in Service	TFR Calculation	250,383
8		Total Accumulated Depreciation		<u>5,181,344</u>
9	Var.	ADIT	TFR Calculation	<u>1,770,823</u>
10	Var.	Prepayments	TFR Calculation	<u>(61,220)</u>
11	Var.	Material and Supplies	TFR Calculation	<u>(139,771)</u>
11	Var.	Cash Working Capital	TFR Calculation	<u>(56,645)</u>
12	Var.	Non-Escrowed Funds	TFR Calculation	<u>31,260</u>
13		Total Rate Base Adjustment:		<u>(11,378,954)</u>
	Var.	<u>Revenue Credits & Adjustments</u>		
14	454010	Rent from Elec Property-Ark	Section 9	-
15	454020	Rent from Elec Property-Ks	Section 9	1,674
16	454030	Rent from Elec Property-Mo	Section 9	-
17	454040	Rent from Elec Property-Okla	Section 9	-
18	457137	Ot El RvOffSys LTFSTF PTP Trns	Section 9	47,820
19	457138	Ot El RvOffSys NnFrm PTP Trns	Section 9	4,313
20	457151	Oth El Rev-Off-Sys Transm	Section 9	<u>-</u>
		<u>Total Other Revenue:</u>		<u>53,808</u>
		<u>Expenses:</u>		
21	Var.	Total Transmission O&M	TFR Calculation	453,160
22	565	SPP Fixed Chg - Native Load	Section 9	762,436
23	565	SPP Var Chg - Native Load	Section 9	17,226
24	565	Non SPP Fixed Chg -Native Load	Section 9	195,204
25	561.4	Transm System Operations	Section 9	27,868
26	561.4	Transm Oper-Load Dispatching	Section 9	57
27	557.4	Pool Operation	Section 9	14,492
28		Misc. Other Increases in Transmission Expenses since December 31, 2017	Section 9	<u>(255,928)</u>
29		<u>Total Transmission Expenses:</u>		<u>1,214,515</u>

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
ADJ 17 TDC Adjustment

Test Year End June 30, 2018 Based on 2017 Data

Line No.	FERC	Description	Reference	Kansas Allocation
	(a)	(b)	(c)	(d)
30	Var.	<u>Total Allocated Administrative & General Expenses</u>	TFR Calculation	<u>188,377</u>
31	403	<u>Transmission Depreciation</u>		
		Misc. Other Adjustment to remove All Transmission		
32		Depreciation from test year	Section 10	(953)
33		Depreciation included in TFR Formula Rate	TFR Calculation	<u>414,918</u>
34		<u>Total Depreciation Adjustment:</u>		<u>413,965</u>
35	408	<u>Total Taxes Other than Income Taxes</u>	TFR Calculation	<u>\$ 160,082</u>
36		Property Taxes - Electric	91.44% Property Tax	\$ 146,379
37		Federal Insurance Contribution Act	8.56% Other	\$ 13,703

Footnotes:

TFR Filing December 31, 2017 Year End

Kansas Allocator at 12/31/17

4.73%

Source: ANJ-9(h) - TFR Calculation

The Empire District Electric Company
Staff's Revised Transmission Delivery Charge Calculation
TFR Calculation

(For Rate Year Beginning July 1, 2018, Based on 2017 Data)

Shaded cells are input cells

Allocators			Total Company	Kansas Allocation	Kansas Jurisdictional Amount
Wages & Salary Allocation Factor					
1	Transmission Wages Expense	p354.21.b [From Inputs, Pg. 2, Ln. 66]	2,724,661		
2	Total Wages Expense	p354.28.b [From Inputs, Pg. 2, Ln. 68]	50,644,742		
3	Less A&G Wages Expense	p354.27.b [From Inputs, Pg. 2, Ln. 67]	14,208,829		
4	Total Wages Less A&G Wages Expense	(Line 2 - Line 3)	36,435,913		
5	Wages & Salary Allocator	(Line 1 / Line 4)	7.4780%		
Plant Allocation Factors					
6	Electric Plant in Service	p207.104.g [From Inputs, Pg. 1, Ln. 32]	2,768,340,469		
7	Accumulated Depreciation (Total Electric Plant)	(Notes B & L) p219.29.c [As adjusted on ATT-11, Ln. 6, Col. E]	769,926,910		
8	Accumulated Intangible Amortization (Other Utility Plant)	(Notes A & B) p200.21.c [From Inputs, Pg. 1, Ln. 30]	18,929,632		
9	Total Accumulated Depreciation	(Line 7 + 8)	788,856,542		
10	Net Plant	(Line 6 - Line 9)	1,979,483,927		
11	Transmission Gross Plant (excluding Land Held for Future Use)	(Line 27 - Line 26)	369,379,745		
12	Gross Plant Allocator	(Line 11 / Line 6)	13.3430%		
13	Transmission Net Plant (excluding Land Held for Future Use)	(Line 35 - Line 26)	268,972,542		
14	Net Plant Allocator	(Line 13 / Line 10)	13.5880%		
T/D Pole Allocation Factor					
15	Gross Distribution Pole/Structure Investment (Acct 364)	p206.64.b [From Inputs, Pg. 2, Ln. 71]	197,108,765		
16	Gross Transmission Pole/Structure Investment (Accts 354 + 355)	p206.51.b + p206.52.b [From Inputs, Pg. 2, Lns. 69 & 70]	91,220,848		
17	Total Pole/Tower Gross Plant	(Line 15 + Line 16)	288,329,613		
19	T/D Revenue Allocation Factor (For Pole Attachment Revenue)	(Line 16 / Line 17)	31.6377%		

Plant Calculations				Kansas Allocation	Kansas Jurisdictional Amount
Plant In Service					
20	Transmission Plant In Service	p207.58.g [From Inputs, Pg. 1, Ln. 33]	359,691,941	4.84%	17,426,153
21	General	p207.99.g [From Inputs, Pg. 1, Ln. 46]	88,182,129	4.84%	4,272,198
22	Intangible	p205.5.g [From Inputs, Pg. 1, Ln. 31]	41,369,395	4.84%	2,004,241
23	Total General and Intangible Plant	(Line 21 + Line 22)	129,551,524		6,276,439
24	Wage & Salary Allocator	(Line 5)	7.4780%		7.4780%
25	Total General and Intangible Functionalized to Transmission	(Line 23 * Line 24)	9,687,804		469,349
26	Land Held for Future Use	(Note C) [From ATT-5, Ln. 26]	0		0
27	Total Plant In Rate Base	(Line 20 + Line 25 + Line 26)	369,379,745		17,895,502
Accumulated Depreciation					
28	Transmission Accumulated Depreciation	(Note B) p219.25.c [From Inputs, Pg. 1, Ln. 47]	95,239,063	4.84%	4,614,089
29	General Plant Accumulated Depreciation	(Note B) p219.28.c [From Inputs, Pg. 1, Ln. 48]	50,182,052	4.84%	2,431,192
30	Accumulated Intangible Amortization (Other Utility Plant)	(Line 8)	18,929,632	4.84%	917,092
31	Total Accumulated Depreciation	(Line 29 + 30)	69,111,684		3,348,284
32	Wage & Salary Allocator	(Line 5)	7.4780%		7.4780%
33	Subtotal General and Intangible Accum. Depreciation Allocated to Transmission	(Line 31 * Line 32)	5,168,140		250,383
34	Total Accumulated Depreciation	(Sum Lines 28 + 33)	100,407,203		4,864,472
35	Total Net Property, Plant & Equipment	(Line 27 - Line 34)	268,972,542		13,031,030

Adjustment To Rate Base				Kansas Allocation	Kansas Jurisdictional Amount
36	Accumulated Deferred Income Taxes ADIT	[From ATT 1, Pg. 3, Ln. 26]	-36,551,431	4.84%	(1,770,823)
37	Prepayments	(Note A) [From ATT-5, Ln. 37]	1,263,633	4.84%	61,220
38	Materials and Supplies				
38	Undistributed Stores Expense	(Note A) p227.16.c [From Inputs, Pg. 1, Ln. 35]	22,652	4.84%	1,097
39	Wage & Salary Allocator	(Line 5)	7,4780%		7,4780%
40	Total Undistributed Stores Expense Allocated to Transmission	(Line 38 * Line 39)	1,694		82.07
41	Transmission Materials & Supplies	p227.8.c [From Inputs, Pg. 1, Ln. 34]	2,883,317	4.84%	139,689
42	Total Materials & Supplies Allocated to Transmission	(Line 40 + Line 41)	2,885,011	4.84%	139,771
43	Cash Working Capital				
43	Operation & Maintenance Expense	(Line 66)	9,415,364	4.81%	453,160
44	1/8th Rule	1/8	12.5%		12.5%
45	Total Cash Working Capital Allocated to Transmission	(Line 43 * Line 44)	1,176,920	5.00%	56,645
46	Non-Escrowed Funds	(1) [From ATT-4, Line 3, Col. C]	645,225	4.84%	31,260
47	Total Adjustment to Rate Base	(Lines 36 + 37 + 42 + 45 - 46)	-31,871,092		-1,544,447
48	Rate Base	(Line 35 + Line 47)	237,101,450		11,486,584

Operations & Maintenance Expense				Kansas Allocation	Kansas Jurisdictional Amount
49	Transmission O&M				
49	Transmission O&M	[From ATT-5, Ln. 49]	25,025,575	5.00%	1,250,535
50	Less Account 565	[From ATT-5, Ln. 50]	18,890,823	5.06%	956,325
51	Less Expenses Associated with Schedule 1 Rate	[From ATT-5, Ln. 51]	607,661	4.84%	29,428
52	Plus Charges billed to Transmission Owner and booked to Account 565	(Note J) [From ATT-5, Ln. 52]	0	4.84%	-
53	Transmission O&M	(Lines 49 - 50 - 51 + 52)	5,527,091	5.00%	264,783
54	Allocated Administrative & General Expenses				
54	Total A&G	323.197b [From Inputs, Pg. 1, Ln. 55]	53,163,123	4.84%	2,575,617
55	Plus: Fixed PBOP expense	(Note M) [From ATT-5, Ln. 55]	2,641,800	4.84%	127,988
56	Less: Actual PBOP expense	[From ATT-5, Ln. 56]	2,864,913	4.84%	138,798
57					
58	Less Regulatory Commission Exp Account 928	(Note D) p323.189.b [From Inputs, Pg. 1, Ln. 53]	1,346,187	4.84%	65,219
59	Less General Advertising Exp Account 930.1	p323.191.b [From Inputs, Pg. 1, Ln. 54]	13,423	4.84%	650
60	Administrative & General Expenses	Sum (Lines 54 to 55) - Sum (Lines 56 to 59)	51,580,400		2,498,938
61	Wage & Salary Allocator	(Line 5)	7,4780%		7,4780%
62	Administrative & General Expenses Allocated to Transmission	(Line 60 * Line 61)	3,857,159	4.84%	186,869
63	Directly Assigned A&G				
63	Regulatory Commission Exp Account 928	(Note F) [From ATT-5, Ln. 63]	5,810	4.84%	281
64	Safety/Peak Alert Advertising Expense (Acct 909)	(Note E) [From ATT-5, Ln. 64]	25,304	4.84%	1,226
65	Subtotal - Accounts 909 and 928 - Transmission Related	(Line 63 + Line 64)	31,114	4.84%	1,507
66	Total Transmission O&M	(Lines 53 + 62 + 65)	9,415,364		453,160

Depreciation & Amortization Expense				Kansas Allocation	Kansas Jurisdictional Amount
67	Depreciation Expense				
	Transmission Depreciation Expense Including Amortization of Limited Term Plant	(Note B)	p336.7.b&c&d [From Inputs, Pg. 1, Lns. 60, 61, & 62]	8,081,514	391,529
68	General Depreciation Expense Including Amortization of Limited Term Plant	(Note B)	p336.10.b&c&d [From Inputs, Pg. 1, Lns. 63, 64, & 65]	2,993,181	145,012
69	Intangible Amortization	(Notes A & B)	p336.1.b&c&d&e [From Inputs, Lns. 56, 57, 58, & 59]	3,462,768	167,762
70	Total		(Line 68 + Line 69)	6,455,949	312,774
71	Wage & Salary Allocator		(Line 5)	7,4780%	7,4780%
72	General Depreciation & Intangible Amortization Allocated to Transmission		(Line 70 * Line 71)	482,773	23,389
73	Total Transmission Depreciation & Amortization		(Lines 67 + 72)	8,564,287	414,918
Taxes Other than Income Taxes				Kansas Allocation	Kansas Jurisdictional Amount
74	Taxes Other than Income Taxes		[From ATT-2, Pg. 1, Ln. 14]	3,304,233	160,082
75	Total Taxes Other than Income Taxes		(Line 74)	3,304,233	160,082
Return \ Capitalization Calculations				Kansas Allocation	Kansas Jurisdictional Amount
76	Long Term Interest				
	Long Term Interest & Hedging Costs		[From ATT-9, Pg. 2, Ln. 6]	43,298,368	43,298,368
77	Preferred Dividends		[From ATT-8, Pg. 1, Ln. 4]	0	
	Common Stock				
78	Proprietary Capital		[From ATT-7, Pg. 1, Ln. 3, Col. A]	827,703,434	827,703,434
79	Less Accumulated Other Comprehensive Income Account 219		[From ATT-7, Pg. 1, Ln. 3, Col. F]	0	0
80	Less Preferred Stock		[From ATT-8, Pg. 1, Ln. 3, Col. F]	0	0
81	Less Account 216.1		[From ATT-7, Pg. 1, Ln. 3, Col. G]	27,963,606	27,963,606
82	Common Stock		(Line 78 - 79 - 80 - 81)	799,739,828	799,739,828
	Capitalization				
83	Total Long Term Debt		[From ATT-6, Pg. 1, Ln. 1, Col A]	835,000,000	835,000,000
84	Preferred Stock		[From ATT-6, Pg. 1, Ln. 2, Col A]	0	0
85	Common Stock		[From ATT-6, Pg. 1, Ln. 3, Col A]	799,739,828	799,739,828
86	Total Capitalization		(Sum Lines 83 to 85)	1,634,739,828	1,634,739,828
87	Debt %	Total Long Term Debt	(Line 83 / Line 86)	51.0784643%	51.08%
88	Preferred %	Preferred Stock	(Line 84 / Line 86)	0.00%	0.00%
89	Common %	Common Stock	(Line 85 / Line 86)	48.921536%	48.92%
90	Debt Cost	Total Long Term Debt	[From ATT-6, Pg. 1, Ln. 1, Col C]	5.19%	5.19%
91	Preferred Cost	Preferred Stock	[From ATT-6, Pg. 1, Ln. 2, Col C]	0.00%	0.00%
92	Common Cost	Common Stock	(Note H) Fixed	10.00%	10.00%
93	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 87 * Line 90)	2.65%	2.65%
94	Weighted Cost of Preferred	Preferred Stock	(Line 88 * Line 91)	0.00%	0.00%
95	Weighted Cost of Common	Common Stock	(Line 89 * Line 92)	4.89%	4.89%
96	Rate of Return on Rate Base (ROR)		(Sum Lines 93 to 95)	0.07542554	0.0754
97	Investment Return = Rate Base * Rate of Return		(Line 48 * Line 96)	17,883,505	866,382

Composite Income Taxes				Kansas Allocation	Kansas Jurisdictional Amount
Income Tax Rates					
98	FIT=Federal Income Tax Rate	(Note G)	[From Inputs, Pg. 3, Ln. 1]	35.00%	35.00%
99	SIT=State Income Tax Rate or Composite	(Note G)	[From Inputs, Pg. 3, Ln. 2; see also ATT-5, Ln. 99]	6.25%	6.25%
100	p	(Note G)	[From Inputs, Pg. 3, Ln. 3; see also ATT-5, Ln. 99]	50.00%	50.00%
101	T			38.39%	38.39%
102	T / (1-T)			62.31%	62.31%
ITC Adjustment					
103	Amortized Investment Tax Credit - Transmission Related		[From ATT-5, Ln. 103]	-677,552	4.84%
104	ITC Adjust. Allocated to Trans. - Grossed Up	ITC Adjustment x 1 / (1-T)	(Line 103 * (1 / (1-Line 101)))	-1,099,719	(32,826)
105	Income Tax Component =	(T/(1-T)) * Investment Return * (1-(WCLTD/ROR)) =	[Line 102 * Line 97 * (1-(Line 93 / Line 96))]	7,227,298	350,133
106	Total Income Taxes		(Line 105 - Line 104)	8,327,017	296,854
Revenue Requirement					
Summary					
107	Net Property, Plant & Equipment		(Line 35)	268,972,542	13,031,030
108	Total Adjustment to Rate Base		(Line 47)	-31,871,092	(1,544,447)
109	Rate Base		(Line 48)	237,101,450	11,486,584
110	Total Transmission O&M		(Line 66)	9,415,364	453,160
111	Total Transmission Depreciation & Amortization		(Line 73)	8,564,287	414,918
112	Taxes Other than Income		(Line 75)	3,304,233	160,082
113	Investment Return		(Line 97)	17,883,505	866,382
114	Income Taxes		(Line 106)	8,327,017	296,854
115	Gross Revenue Requirement		(Sum Lines 110 to 114)	47,494,405	2,191,395
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities					
116	Transmission Plant In Service		(Line 20)	359,691,941	17,426,153
117	Revenues from Direct Assigned Transmission Facilities	(Note I)	[From ATT-5, Ln. 117]	0	-
118	Included Transmission Facilities		(Line 116 - Line 117)	359,691,941	17,426,153
119	Inclusion Ratio		(Line 118 / Line 116)	100.00%	1
120	Gross Revenue Requirement		(Line 115)	47,494,405	2,191,395
121	Adjusted Gross Revenue Requirement		(Line 119 * Line 120)	47,494,405	2,191,395
Revenue Credits & Adjustments					
122	Revenue Credits		[From ATT-3, Ln. 10]	1,210,289	4.15%
122a	Refunds and Surcharges (Adjustments to Gross ATRR) (Entered negative)		[From ATT-11, Pg. 2, Ln. 6]	-3,870,834	4.84474379%
122b	Total Revenue Credits and Adjustments		(Line 122 + Line 122a)	-2,660,545	(137,348)
123	Annual Total Net Revenue Requirement		(Line 121 - Line 122b)	50,154,950	2,328,743
124	Rev. Rqmt. (w/o incentives) from SPP Regional Upgrades		[From ATT-12, Page 2, Ln. 41, ATRR w/o Incentives]	5,072,607	4.84%
124a	Incentive Rev. Rqmt from SPP Regional Upgrades		[From ATT-12, Page 2, Ln. 41, Incentive ATRR]	0	4.84%
124b	Refunds and Surcharges (Adjustments to SPP Regional Projects' ATRR)		[From ATT-11, Pg. 2, Ln. 12]	0	4.84%
124c	TOTAL Rev Rqmt Collected by SPP under SPP OATT for Regional Upgrades		(Line 124 + Line 124a + Line 124b)	5,072,607	245,755
125	Annual Total Zonal Revenue Requirement (Attachment H)		(Line 123 - Line 124)	45,082,343	2,082,988
Network Zonal Service Rate					
126	Zonal Transmission Network 12 CP Average	(Note K)	[From ATT-5, Ln. 126]	891,833	
127	Rate (\$/MW-Year)		(Line 125 / 126)	50,550.21	
128	Network Service Rate (\$/MW/Year)		(Line 127)	\$ 50,550.21	

Schedule 1 Rate Calculations				
129	Account 561 Expenses Associated with Schedule 1 Rate		(Line 51)	607,661
130	Zonal Transmission Network 12 CP Average	(Note K)	(Line 126)	891,833
131	Rate (\$/MW-Year)		(Line 129 / Line 130)	\$ 681.36
132	Schedule 1 Annual Rate (\$/MW/Year)		(Line 131)	\$ 681.36
133	Schedule 1 Rate (\$/MW/Month)		(Line 132 / 12 months)	\$ 56.780
134	Schedule 1 Rate (\$/MW/Week)		(Line 132 / 52 weeks)	\$ 13.103
135	Schedule 1 Rate (\$/MW/Day)		(Line 132 / 365 days)	\$ 1.867
136	Schedule 1 Rate (\$/MW/Hour)		(Line 132 / 8760 hours)	\$ 0.078
137	Schedule 7 Annual Firm Point-to-Point Rate (\$/MW/Yr) = Annual Network Service Rate (\$/MW/Yr)		(Line 128)	\$ 50,550.21
138	Schedule 7 Rate (\$/MW/Month)		(Line 137 / 12 months)	\$ 4,212.517
139	Schedule 7 Rate (\$/MW/Week)		(Line 137 / 52 weeks)	\$ 972.119
140	Schedule 7 Rate (\$/MW/Day, On-Peak)		(Line 139 / 5 days)	\$ 194.424
141	Schedule 7 Rate (\$/MW/Day, Off-Peak)		(Line 139 / 7 days)	\$ 138.874
142	Schedule 7 Rate (\$/MWHour, On-Peak)		(Line 140 / 16 hours)	\$ 12.151
143	Schedule 7 Rate (\$/MWHour, Off-Peak)		(Line 141 / 24 hours)	\$ 5.786
144	Schedule 8 Non-Firm Annual Point-To-Point Rate (\$/MW/Yr)=Annual Network Service Rate (\$/MW/Yr)		(Line 128)	\$ 50,550.21
145	Schedule 8 Rate (\$/MW/Month)		(Line 144 / 12 months)	\$ 4,212.517
146	Schedule 8 Rate (\$/MW/Week)		(Line 144 / 52 weeks)	\$ 972.119
147	Schedule 8 Rate (\$/MW/Day, On-Peak)		(Line 146 / 5 days)	\$ 194.424
148	Schedule 8 Rate (\$/MW/Day, Off-Peak)		(Line 146 / 7 days)	\$ 138.874
149	Schedule 8 Rate (\$/MW/Hour, On-Peak)		(Line 147 / 16 hours)	\$ 12.151
150	Schedule 8 Rate (\$/MW/Hour, Off-Peak)		(Line 148 / 24 hours)	\$ 5.786

Notes:

- A Electric portion only.
- B Depreciation rates are displayed in ATT 10 and will not change absent a Federal Power Act Section 205 or 206 filing. Amortization periods are displayed in ATT 10A and will not change absent a Federal Power Act Section 205 or 206 filing.
- C Includes Transmission portion only.
- D Includes all Regulatory Commission Expenses for all Electric jurisdictions.
- E Includes safety-related and load/grid congestion management advertising expense included in Account 909 (Product codes ADAS, ADCS, ADPA).
- F Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting; as itemized on ATT-5, Ln. 63.
- G The currently effective income tax rate where FIT is the Federal income tax rate; SIT is the Missouri income tax rate, and p = the percentage of federal income tax deductible for Missouri state income taxes. See details on ATT 5, Ln. 99.
- H ROE will be fixed at 10.00% and will not change absent a Federal Power Act Section 205 or 206 filing at FERC.
- I There are no direct assigned transmission facilities on EDE's system as of 12/31/2011. Annual verification/updates will be documented on ATT 5.
- J Includes only charges incurred for system integration and transmission costs paid to others that benefit transmission customers.
- K Represents the average of Empire's 12 Monthly Coincident Peaks of Empire Zonal Transmission load (includes all firm wholesale NITS & Pt-Pt loads during the FF1 year).
- L Total Electric Accumulated Depreciation has been adjusted to reflect Missouri Regulatory Plan Amortization, as shown on ATT 11, Line 6.
- M PBOP expense is fixed at 2011 levels until changed as a result of a Federal Power Act Section 205 or 206 filing at FERC.

TRANSMISSION DELIVERY CHARGE

APPLICABILITY

This Transmission Delivery Charge (TDC) rider (Schedule TDC) shall be applicable to all Kansas Retail Rate Schedules for the Company.

BASIS OF CHARGE

Company shall collect from applicable customers a Transmission Delivery Charge (TDC) based on all transmission-related costs incurred to be recovered under the following schedules of the Open Access Transmission Tariff (OATT) offered by the Southwest Power Pool, Inc. (SPP) for service and the Midcontinent Independent System Operator (MISO) to the Company's retail customers:

SPP

- Schedule 1A – Tariff Administration
- Schedule 1 – Scheduling, System Control and Dispatch Service
- Schedule 9 – Network Integration Transmission Service
- Schedule 10 – Wholesale Distribution Service
- Schedule 11 – Base Plan Charge
- Schedule 12 – FERC Assessment Charge
- Monthly Assessment Charge

MISO

- Schedule 1 – Scheduling, System Control and Dispatch Service
- Schedule 2 – Reactive Supply and Voltage Control
- Schedule 7 – Long-Term Firm and Short-Term Firm Point-To-Point
- Schedule 10 – DERC Annual Charges Recovery
- Schedule 11 – Wholesale Distribution Service
- Schedule 26 – Network Upgrade Charge From Transmission Expansion Plan
- Schedule 33 – Blackstart Service
- Schedule 45 – Cost Recovery of NERC Recommendation or Essential Action

Other

- Other transmission-related charges recorded in FERC Account 565 (Transmission of Electricity by Others), fees charged to the Company by the North American Electric Reliability Council (NERC), and other transmission revenue requirements not otherwise reflected in and recoverable through base rates or other Commission authorized rider mechanisms shall be included.

The costs to be recovered under Schedule 9 (Network Integration Transmission Service) shall exclude the revenue requirement for all Company-owned transmission facilities classified by SPP as Base Plan Upgrades. Company shall provide periodic reports to the Commission of its collections, including a calculation of the total collected under this rate schedule.

Method of Billing

The ATRR shall be collected by applying a TDC Unit Charge, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Unit Charge shall be implemented using one or more of the following billing methods:

1. A dollar per kilowatt (KW) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable KW sales for that rate schedule; and/or
2. A dollar per kilowatt hour (KWh) charge determined by dividing a portion of the cost of transmission service allocated to a rate schedule by the annual applicable KWh sales for that rate schedule.

The TDC Unit Charges included on the following sheets are designed to recover transmission-related charges incurred for the delivery of generation or as a result of serving native load from Kansas retail customers.

Transmission Delivery Charge Calculation:

The Company shall file to update its TDC Rates annually. The Company may file for a change in the TDR Rates more frequently than once per year, but only if the Company receives concurrence from the Commission Staff that such filing is appropriate. All proposed TDC Rates shall be filed with the Commission no later than 30 business days before the effective date of the proposed charges. The TDC Rates will be established XXX immediately following case 18-XXXX-XX-TAR but will be updated annually immediately following the filing and implementation of The Company's Transmission Formula Rate (TFR) filing.

$$\begin{aligned} \text{TDC}_{\text{Filing}} &= \text{ATRR}_{\text{Filing}} + \text{SPP} + \text{MISO} + \text{Other} + \text{TU}_{n-1} \\ \text{TDC}_{\text{Actual}} &= \text{ATRR}_{\text{Actual}} + \text{SPP} + \text{MISO} + \text{Other} + \text{TU}_{n-1} \text{ TU}_n = \\ &\text{TDC}_{\text{Actual}} - \text{TDC}_{\text{Rev}} \end{aligned}$$

Transmission Delivery Charge Calculation (continued):

Where:

$$\text{TDC}_{\text{Year}} = \text{The 12-month period } \underline{\text{beginning the month following the publication of Empire's TFR rate update in the SPP Revenue Requirements and Rates file (RRR)}} \text{ immediately following the implementation of The Company's TFR.}$$

TDC_{Filing}	=	The TDC-related costs authorized by the Commission to be included in the development of the TDC Rates to be charged to Kansas Retail sales.
TDC_{Actual}	=	The TDC-related costs, as allocated to Kansas Retail sales, authorized to be recovered during the TDC year including the True-Up calculated for the prior TDC Year.
TDC_{Rev}	=	Actual TDC Revenues for the Kansas Retail sales received during the TDC Year. These TDC revenues will be based in the TDC Rates in effect throughout the TDC Year. Such TDC Rates may be changed one or more times during the TDC Year, with approval by the Commission. The TDC Rates in effect at any point during the TDC Year will be applied to Kansas Retail KWh sales or KW billing demands, as applicable, during the effective period of each such approved TDC Rate.
TU_n	=	True-Up calculation to reflect the difference between the actual TDC-related costs authorized to be recovered during the TDC Year and the actual TDC Revenues for Kansas Retail sales during the TDC Year. This True-Up will be applied to the TDC Rate for the following TDC Year.
TU_{n-1}	=	True-Up amount to reflect the difference between the actual TDC related costs authorized to be recovered during the prior TDC Year and the actual TDC Revenues for the Kansas Retail sales during the prior TDC Year. The difference for the prior TDC Year shall be included as a component of the TDC Rate for the current TDC Year. The TU_{n-1} component in the initial TDC Rate calculation for the initial TDC Year shall be equal to zero (\$0). The True-Up component included in the TDC Rate calculations for subsequent TDC Years may be positive or negative.

Transmission Delivery Charge Calculation (continued):

And:

$ATTR_{Filing}$	=	The amount allocated to Kansas Retail sales for the <u>Zonal and Regional Schedule 9 and Schedule 11 Network Service Annual Transmission Revenue Requirement (ATTR) applicable to the Empire zone (based on the Southwest Power Pool Inc. (SPP) RRR currently effective at the time of the filing of the TDC Rate).</u>
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		<u>The allocation to Kansas retail sales shall first reflect the Company's Native System portion of the Empire Zone Load Ratio Share (LRS). The Company's Native System includes Kansas Retail sales, Missouri Retail sales, Oklahoma Retail sales, Arkansas Retail sales, and any full-requirements wholesale sales.</u>
		<u>For the Schedule 9 amounts, the allocation of the Native System portion of the LRS to Kansas Retail sales shall be based on a projected 12-month Coincident Peak (12-CP) Demand allocator for the TDC year.</u>
		<u>For the Schedule 11 amounts, the allocation of the Native System portion of the LRS to Kansas Retail sales shall be based on a projected 12-CP Demand allocator for the TDC year.</u>
<u>ATTR_{Actual}</u>	<u>=</u>	<u>The amount allocated to Kansas Retail customers for the Zonal and Regional Schedule 9 and Schedule 11 Network Service ATTR applicable to the Empire zone (based on the SPP RRR files effective throughout the TDC Year).</u>
		<u>The allocation to Kansas retail sales shall first reflect the Company's Native System portion of the Empire LRS.</u>
		<u>For the Schedule 9 amounts, the allocation of the Native System portion of the LRS to Kansas Retail sales shall be based on the actual 12-CP Demand allocator for the TDC year.</u>
		<u>For the Schedule 11 amounts, the allocation of the Native System portion of the LRS to Kansas Retail sales shall be based on the actual 12-CP Demand allocator for the TDC year.</u>
<u>SPP</u>	<u>=</u>	<u>Amount allocated to Kansas Retail sales for actual amounts incurred during the prior TDC_{Year}. Charges include:</u> <ul style="list-style-type: none"> ▪ <u>Schedule 1A – Tariff Administration Service</u> ▪ <u>Schedule 1 – Scheduling, System Control & Dispatch Service</u> ▪ <u>Schedule 9 - Network Integration Transmission Service (Excluding charges related to Empire owned facilities)</u> ▪ <u>Schedule 10 – Wholesale Service</u> ▪ <u>Schedule 11 – Base Plan Funding (Excluding charges related to Empire owned facilities)</u> ▪ <u>Schedule 12 – FERC Assessment Charge</u>

- Other transmission charges from SPP that are specifically identifiable as assignable to Empire's Native System Load

MISO = Amount allocated to Kansas Retail sales for the actual amounts incurred during the prior TDC_{Year}. Charges include:

- Schedule 1 – Scheduling, System Control and Dispatch Service
- Schedule 2 – Reactive Supply and Voltage Control
- Schedule 7 – Long-Term Firm and Short-Term Firm Point-To-Point
- Schedule 10 - FERC Annual Charges Recovery
- Schedule 11 – Wholesale Distribution Service
- Schedule 26 – Network Upgrade Charge From Transmission Expansion Plan
- Schedule 45 – Cost Recovery of NERC Recommendation or Essential Action
- Other transmission charges from SPP that are specifically identifiable as assignable to Empire's Native System Load

OTHER = Amount allocated to Kansas Retail sales for non-SPP and non-MISO transmission charges that are identifiable as costs incurred for the purpose of serving Empire's Native System Load:

Calculation of TDC Rates:

The Company shall calculate a separate TDC Rate for each applicable Kansas Retail Customer Class as described below:

$$\text{TDC}_{\text{KW-Rate}(\text{Class})} = \text{TDC}_{\text{Filing}} \times \text{DA}_{\text{Class}} / \text{KW}_{\text{Class}}$$

or

$$\text{TDC}_{\text{KWh-Rate}(\text{Class})} = \text{TDC}_{\text{Filing}} \times \text{DA}_{\text{Class}} / \text{KWh}_{\text{Class}}$$

Where:

$TDC_{KW-Rate(Class)}$ = The TDC Rate applicable to General Power Service and Transmission Power Service and any other rate classes with a billing demand component.

$TDC_{KWh-Rate(Class)}$ = The TDC Rate applicable to all Residential Services, Commercial Service, Small Heating Service, Total Electric Building Service, Lighting rate classes, and any remaining rate classes with only a KWh consumption component.

And:

TDC_{Filing} = Described in Sheet 3 under Transmission Delivery Charge Calculation

DA_{Class} = The demand allocator for the applicable Kansas Retail customer class. This demand allocator shall be based on the 12-CP allocator utilized by the Company for its Class Cost of Service Study in its most recent Kansas retail rate case.

KW_{Class} = Class normalized Billing Demands (KW) utilized by the Company for its Rate Design Study in its most recent Kansas retail rate case.

KWh_{Class} = Class normalized Energy (KWh) utilized by the Company for its Rate Design Study in its most recent Kansas retail rate case.

The class demand allocators (DA_{Class}), class normalized Billing Demands (KW_{Class}), and class normalized Energy (KWh_{Class}) shall remain unchanged, until the next general rate class in which class demand allocators and class normalized Billing Demands and Energy are reset or, at a minimum, once every five years, to limit cost shifting among retail classes.

Method of Billing

The TDC-related revenue requirements shall be collected by applying the TDC Rate, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The TDC Rate shall be implemented using the applicable dollars per kilowatt-hour (KWh) charge or dollars per kilowatt (KW) charge.

TDC Rates Effective

The TDC Rates in the following table shall be applied to a customer's bill of each rate schedule as indicated. The amount determined by applying the TDC Rate shall become part of the total bill for electric service furnished and will be itemized separately on the customer's bill.

<u>Rate Schedule</u>	<u>\$ per KWh</u>	<u>\$ per KW</u>
Residential Service	XXX	
Commercial Service	XXX	
Small Heating	XXX	
Total Electric Building	XXX	
Lighting Service	XXX	
General Power Service		XXX
Transmission Service		XXX

Definitions and Conditions

Company for the purposes of this rate schedule or rider is defined as Empire District Electric Company.

The Empire District Electric Company's
Responses to Staff Data Requests



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 79

Page 1 of 1

Data Request Received: 12/07/18
Request No. 79

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

Section: Accounting

Summary: Income Statement

REQUEST:

Please provide a detailed list of all amortizations included by Applicant in this rate case, to include amount(s), account(s) charged, date expensed, description of amortization, total length of amortization including beginning and ending time periods, and Docket No. if amortization is authorized by the KCC.

RESPONSE:

Please see attachment labeled: DR 79-Amortization Expense Final.xls

The Empire District Electric Company
A Liberty Utilities Company
Amortizations

Docket No. 19-EPDE-223-RTS
Staff Data Request – 79

		Balance	Annual or	Amortization					
	Account	June 30, 2018	Test Year	charged to		Case Number	Jurisdiction	Included in Rate Case	Additional Information
			Amortization	Expense Account					
ASSETS									
Deferred KS Fuel Cost	182320	170,013.90	(250,764.11)	501001	Test Year	KS 05-EPDE-980-RTS	Kansas	-	This is an accrual - under recovery is recorded in this account until end of measurement period.
Recovery KS Fuel Cost	182321	687,065.96	148,819.08	501001	Test Year	KS Docket 05-EPDE-980-RTS	Kansas	-	
KS 2007 Ice Storm Def Charges	182324	222,141.64	111,070.92	593599	Test Year	KS 08-EPDE-714-ACT	Kansas	111,071	Amortization ends 6-30-2020
KS 2007 Ice Storm Carrying Cst	182325	43,219.91	21,609.96	593599	Test Year	KS 08-EPDE-714-ACT	Kansas	21,610	Amortization ends 6-30-2020
PeopleSoft Costs ER-2011-0004	182343	133,038.28	31,303.08	921446	Test Year	MO ER-2011-0004	Missouri	1,183	Amortization ends 9-30-2022
Reg Pension Costs Amortization	182359	2,256,021.00	-	926149	Test Year	MO ER-2004-0570 MO ER-2006-0315 MO ER-2008-0093	Missouri	(329)	Missouri pension tracker amortization.
Kansas OPEB Tracker	182360	377,568.00	16,213.00	926328	Test Year	KS 05-EPDE-980-RTS	Kansas	132,186	This is the tracker accumulation account for KS.
Reg Asset - Unrealized Deriv	182364	1,802,868.03	(100,719.67)	547300	Test Year	MO ER-2008-0093	Missouri	(5,146)	Fluctuates based on the cost of fuel.
KS pension - FAS87 Expense	182367	993,557.00	(53,213.00)	926148	Test Year	KS 05-EPDE-980-RTS	Kansas	807,368	This is the tracker accumulation account for KS.
Elec Rate Case Exp - KS	186812	45,584.42		928000			Kansas	228,733	This is just being accumulated and will change with the next KS rate case.
Reg OPEB Costs Amortization	254111	11,576.00	(47,256.00)	926326	Test Year	MO ER-2004-0570 MO ER-2006-0315 MO ER-2008-0093	Missouri	(1,716)	Missouri OPEB tracker amortization.
Reg Liab - Unrealized Deriv	254164	187,220.19	1,441.78	547300	Test Year	MO ER-2008-0093	Missouri	(5,146)	
SWPA Oz Beach - Kansas	254220	448,843.04	(125,973.00)	501920	Test Year	KS 11-EPDE-856-RTS	Kansas	125,260	10 year amortization period
MO Return of Excess DefTx 2017	254430	152,482,013.02	-				All	212,800	This is an accrual.
Regulatory Liabilities		153,129,652.25	(171,787.22)					1,627,874	

Docket No. 19-EPDE-223-RTS
Exhibit ANJ-11



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 201

Page of 1

Data Request Received: 02/21/19
Request No. 201

Date of Response: 2/26/19
Respondent: Leslie Forest

Submitted by: Andria Jackson

RE: Iatan and Plum Point Prudency

REQUEST:

Regarding the workpapers provided in support of Adjustment No. 1 (Iatan and Plum Point Prudency) labeled "WP ADJ 1 Iatan and Plum Point Prudency", please provide the following:

1. Please provide the supporting workpapers and/or Commission order approving the depreciation rates shown in Column (i) that were used in the derivation of the book depreciation expense.
2. Please provide all assumptions, calculations and supporting workpapers used in the derivation of the 1.12% property tax rate.

RESPONSE:

1. The depreciation rates reported in Column (i) are based on the depreciation rates approved in Docket No. 05-EPDE-980-RTS. Please see attached workpapers DR 201 Commission Order.pdf and DR 201 Depreciation Rate.pdf.
2. Please see attachment DR 201 2018 Cap rate cal.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 26, 2019

THE EMPIRE DISTRICT ELECTRIC COMPANY
EXPLANATION OF ADJUSTMENTS TO TEST-YEAR
REVENUES AND EXPENSES

	A	B	C	D	E
	INCREASES (DECREASES)				
	TOTAL COMPANY		KANSAS		
	Revenues	Expenses	Revenues	Expenses	Adjustment Number
DEPRECIATION					
To annualize depreciation expense - production		119,765		7,340	
To reclassify depreciation expense		0		0	
To annualize depreciation expense - transmission		838,054		51,365	
To annualize depreciation expense - distribution		4,965,832		283,125	
To annualize depreciation expense - general		(428,775)		(25,504)	
30. Total Depreciation Expense		5,494,877		316,326	14
TAXES OTHER THAN INCOME TAXES					
31. To annualize property taxes		369,420		21,973	15
32. To increase (decrease) payroll taxes resulting from payroll adj.		16,419		895	16
33. Total Taxes Other Than Income Taxes		385,838		22,869	
INCOME TAXES - FEDERAL					
34. To adjust book taxes		391,318		(417,914)	17
35. Total Income Taxes - Federal		391,318		(417,914)	
INCOME TAXES - STATE					
36. To adjust book taxes		942,881		(79,978)	18
37. Total Income Taxes - State		942,881		(79,978)	
INTEREST ON CUSTOMER DEPOSITS					
38. To reclass to Operating Income		259,117		10,906	19
Total Interest on Customer Deposits		259,117		10,906	
(GAIN) LOSS ON DISPOSAL ALLOWANCES					
40. To reclass to Operating Income		(67,016)		(3,986)	20
41. Total (Gain) Loss on Disposal Allowances		(67,016)		(3,986)	
42. TOTAL REVENUES AND EXPENSES	\$447,733	\$38,872,836	\$447,733	\$1,531,288	

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Tariff Filing of)	
Empire District Electric Company to)	
Implement a General Rate Increase for)	
Retail Electric Service to Customers in its)	Case No. ER-2004-0570
Missouri Service Area.)	

MOTION FOR CLARIFICATION

COMES NOW Staff of the Missouri Public Service Commission, and asks the Commission to clarify two aspects of its March 10, 2005 Report and Order in this case.

1. In its Report and Order issued January 11, 2005, in the remand of Case No. GR-99-315, the Commission directed "That Laclede Gas Company keep a separate accounting of its amounts accrued for recovery of its initial investment in plant from the amounts accrued for the cost of removal." (Ordered paragraph 6) Staff asks that the Commission clarify that it intends for Empire District Electric Company keep its depreciation records in the same manner.

* 2. Staff asks the Commission to order Empire to use the depreciation rates in the attached Schedule 1. The Commission typically will include such a list in its Report and Order to insure that the parties clearly understand the rates to be booked by the Company. Staff has provided Schedule 1 to Empire District and to the Office of the Public Counsel. Counsel for Empire has indicated that Empire has no objections to Schedule 1; the Office of the Public Counsel has not yet responded.

WHEREFORE, the Staff respectfully asks the Commission to clarify its March 10 Report and Order in the above two matters.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Thomas R. Schwarz, Jr.

Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Bar No. 29645

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-5239 (Telephone)
(573) 751-9285 (Fax)
E-mail: tschwarz@mail.state.mo.us

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 21st day of March, 2005.

/s/ Thomas R. Schwarz, Jr.

THE EMPIRE DISTRICT ELECTRIC COMPANY
Development of Annual Depreciation Rate Components

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Account Number	Description	ALLOWANCE				Whole Life Rate %	ANNUAL ACCRUAL		
		ASL Years	Salvage %	COR %	Net Salvage %		Life Rate %	Salvage Rate %	COR Rate %
<u>STEAM PRODUCTION PLANT</u>									
<u>RIVERTON</u>									
311.00	Structures and Improvements	95.0			(0.10)	1.05	1.05		-
312.00	Boiler Plant Equipment	54.0			(0.30)	1.86	1.85		0.01
314.00	Turbogenerator Units	63.0			(0.27)	1.59	1.59		-
315.00	Accessory Electric Equipment	56.0			(0.09)	1.79	1.79		-
316.00	Miscellaneous Power Plant Equipment	51.0			0.10	1.96	1.96		-
<u>ASBURY</u>									
311.00	Structures and Improvements	95.0			(0.40)	1.06	1.05		0.01
312.00	Boiler Plant Equipment	54.0			(1.18)	1.87	1.85		0.02
312.70	Unit Train	15.0			-	6.67	6.67		-
314.00	Turbogenerator Units	63.0			(1.06)	1.60	1.59		0.01
315.00	Accessory Electric Equipment	56.0			(0.36)	1.79	1.79		-
316.00	Miscellaneous Power Plant Equipment	51.0			0.39	1.95	1.96	(0.01)	-
<u>IATAN</u>									
311.00	Structures and Improvements	95.0			(0.69)	1.06	1.05		0.01
312.00	Boiler Plant Equipment	54.0	0.40	2.42	(2.02)	1.89	1.85	(0.01)	0.05
314.00	Turbogenerator Units	63.0			(1.84)	1.62	1.59		0.03
315.00	Accessory Electric Equipment	56.0			(1.62)	1.81	1.79		0.02
316.00	Miscellaneous Power Plant Equipment	51.0			0.67	1.95	1.96	(0.01)	-
<u>HYDRAULIC PRODUCTION PLANT</u>									
<u>OZARK BEACH</u>									
331.00	Structures and Improvements	61.0			(1.14)	1.66	1.64		0.02
332.00	Reservoirs, Dams and Waterways	60.0			-	1.67	1.67		-
333.00	Waterwheels, Turbines and Generators	68.0			-	1.47	1.47		-
334.00	Accessory Electric Equipment	70.0			(1.14)	1.44	1.43		0.01
335.00	Miscellaneous Power Plant Equipment	41.0			-	2.44	2.44		-
<u>OTHER PRODUCTION PLANT</u>									
<u>RIVERTON CT</u>									
341.00	Structures and Improvements	55.0			-	1.82	1.82		-
342.00	Fuel Holders, Producers and Access.	26.0			-	3.85	3.85		-
343.00	Prime Movers	52.0			(0.05)	1.92	1.92		-
344.00	Generators	55.0			-	1.82	1.82		-
345.00	Accessory Electric Equipment	28.0			-	3.57	3.57		-
346.00	Miscellaneous Power Plant Equipment	25.0			0.04	4.00	4.00		-
<u>ENERGY CENTER CT</u>									
341.00	Structures and Improvements	55.0			-	1.82	1.82		-
342.00	Fuel Holders, Producers and Access.	26.0			-	3.85	3.85		-
343.00	Prime Movers	52.0			(0.06)	1.92	1.92		-
344.00	Generators	55.0			-	1.82	1.82		-
345.00	Accessory Electric Equipment	28.0			-	3.57	3.57		-
346.00	Miscellaneous Power Plant Equipment	25.0			0.06	4.00	4.00		-
Total Energy Center CT									
<u>ENERGY CENTER JET ENGINES</u>									
341.00	Structures and Improvements	55.0			-	1.82	1.82		-
344.00	Generators	55.0			-	1.82	1.82		-
345.00	Accessory Electric Equipment	28.0			-	3.57	3.57		-
346.00	Miscellaneous Power Plant Equipment	25.0			0.19	3.99	4.00	(0.01)	0.00
<u>STATE LINE CT</u>									
341.00	Structures and Improvements	55.0			-	1.82	1.82		-
342.00	Fuel Holders, Producers and Access.	26.0			-	3.85	3.85		-
343.00	Prime Movers	52.0			(0.12)	1.93	1.92		0.01
344.00	Generators	55.0			-	1.82	1.82		-
345.00	Accessory Electric Equipment	28.0			-	3.57	3.57		-
346.00	Miscellaneous Power Plant Equipment	25.0			0.16	3.99	4.00	(0.01)	0.00
<u>STATE LINE CC</u>									
341.00	Structures and Improvements	35.0			-	2.86	2.86		-
342.00	Fuel Holders, Producers and Access.	35.0			-	2.86	2.86		-

THE EMPIRE DISTRICT ELECTRIC COMPANY
Development of Annual Depreciation Rate Components

[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Account Number	Description	ALLOWANCE				Whole Life Rate	ANNUAL ACCRUAL		
		ASL Years	Salvage %	COR %	Net Salvage %		Life Rate %	Salvage Rate %	COR Rate %
343.00	Prime Movers	35.0			(0.18)	2.86	2.86		-
344.00	Generators	35.0			-	2.86	2.86		-
345.00	Accessory Electric Equipment	35.0			-	2.86	2.86		-
346.00	Miscellaneous Power Plant Equipment	35.0			0.17	2.85	2.86	(0.01)	0.00
TRANSMISSION PLANT									
352.00	Structures & Improvements	55.0	-	15.00	(15.00)	2.09	1.82		0.27
353.00	Station Equipment	50.0	-	10.00	(10.00)	2.20	2.00		0.20
354.00	Towers & Fldures	65.0	-	25.00	(25.00)	1.92	1.54		0.38
355.00	Poles & Fldures	60.0	65.00	165.00	(100.00)	3.33	1.67	(1.08)	2.74
356.00	Overhead Conductors	65.0	60.00	100.00	(40.00)	2.15	1.54	(0.92)	1.53
DISTRIBUTION PLANT									
361.00	Structures & Improvements	60.0	-	25.00	(25.00)	2.08	1.67		0.41
362.00	Station Equipment	45.0	40.00	25.00	15.00	1.89	2.22	(0.89)	0.56
364.00	Poles, Towers & Fldures	48.0	55.00	155.00	(100.00)	4.35	2.17	(1.20)	3.38
365.00	Overhead Conductors	53.0	50.00	150.00	(100.00)	3.77	1.89	(0.94)	2.82
366.00	Underground Conduit	37.0	10.00	55.00	(45.00)	3.92	2.70	(0.27)	1.49
367.00	Underground Conductors	32.0	5.00	20.00	(15.00)	3.59	3.13	(0.16)	0.62
368.00	Transformers	45.0	3.00	28.00	(25.00)	2.78	2.22	(0.07)	0.63
369.00	Services	40.0	20.00	120.00	(100.00)	5.00	2.50	(0.50)	3.00
370.00	Meters	44.0	-	-	-	2.27	2.27	-	-
371.00	Meter Installations	25.0	10.00	55.00	(45.00)	5.80	4.00	(0.40)	2.20
373.00	Street Lighting	48.0	25.00	75.00	(50.00)	3.13	2.08	(0.52)	1.57
GENERAL PLANT									
390.00	Structures & Improvements	40.0	-	10.00	(10.00)	2.75	2.50		0.25
391.10	Office Furniture and Equipment	20.0	-	-	-	5.00	5.00		-
391.20	Computer Equipment	10.0	-	-	-	10.00	10.00		-
392.00	Transportation Equipment	12.0	15.00	-	15.00	7.08	8.33	(1.25)	-
393.00	Stores Equipment	30.0	5.00	-	5.00	3.17	3.33	(0.16)	-
394.00	Tools, Shop & Garage Equipment	20.0	10.00	-	10.00	4.50	5.00	(0.50)	-
395.00	Laboratory Equipment	38.0	-	-	-	2.63	2.63		-
396.00	Power Operated Equipment	15.0	5.00	-	5.00	6.33	6.67	(0.34)	-
397.00	Communication Equipment	25.0	-	-	-	4.00	4.00		-
398.00	Miscellaneous Equipment	22.0	-	-	-	4.55	4.55		-

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 7th day of
April, 2005.

In the Matter of the Tariff Filing of The Empire)	
District Electric Company to Implement a)	
General Rate Increase for Retail Electric)	<u>Case No. ER-2004-0570</u>
Service Provided to Customers in its Missouri)	Tariff File No. YE-2004-1324
Service Area.)	

**ORDER CONCERNING APPLICATIONS FOR REHEARING
AND MOTIONS FOR CLARIFICATION OR
RECONSIDERATION**

Procedural History:

On April 30, 2004, The Empire District Electric Company submitted to the Missouri Public Service Commission certain proposed tariff sheets, Tariff File No. YE-2004-1324. Following an evidentiary hearing, the Commission issued its Report and Order on March 10, 2005, effective March 27, rejecting the proposed tariff sheets filed by Empire. Empire filed compliance tariffs on March 17, which were approved on March 21, effective on and after March 27.

The Commission's Staff filed its Motion for Clarification on March 21. On March 25, the Public Counsel filed his Application for Rehearing; the Missouri Industrial Energy Consumers filed their Motion for Clarification and Alternative Application for Rehearing; Praxair and Explorer Pipeline filed their Application for Rehearing, Reconsideration or Clarification; and Empire filed its Application for Rehearing.

Clarification:

The Commission will grant clarification in two respects.

* First, Staff's Motion for Clarification will be granted. Its purpose is to implement the Commission's decisions as to depreciation.

Second, several parties requested clarification as to the Commission's position on the Discounted Cash Flow Method widely used by experts in developing opinions as to an appropriate return on equity. The Commission states that its resolution of the present case is founded on the record developed in this case and its application thereto of controlling law. It is intended only to resolve the issues presented in this case. The Commission does not intend to abandon or discourage use of the Discounted Cash Flow Method in the future and expects to hear expert testimony based on the use of this method in future cases.

Reconsideration and Rehearing:

Having considered the parties' requests for reconsideration and applications for rehearing, the Commission is of the opinion that the same should be denied.

IT IS THEREFORE ORDERED:

* 1. That the Motion for Clarification filed by the Staff of the Missouri Public Service Commission on March 21, 2005, is granted. The Empire District Electric Company is directed to comply with the requests contained in Staff's motion.

2. That Clarification is granted, as several parties requested, as discussed above.

3. That the several Applications for Rehearing and for Reconsideration timely filed herein by The Empire District Electric Company, the Public Counsel, Praxair, Inc., and

Explorer Pipeline Company, and the members of the Missouri Industrial Energy Consumers, are denied.

4. That this order shall become effective on April 7, 2005.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Davis, Chm., Murray and Appling,
CC., concur.
Gaw and Clayton, CC., dissent.

Thompson, Deputy Chief Regulatory Law Judge

2018 Property Tax Capitalization Rate Computation

Description	Electric & Water	Gas	Fiber	
Estimated 2018 Property Tax Liability	23,000,400	1,299,600	339,600	Per January, 2018 Accrual Computation
Taxable Plant at 12/31/2017 -				
Gross Plant in Service	2,801,273,069	89,622,923	44,707,084	Per Sch 7
CWIP	31,865,472	667,688	178,041	Per Sch 7A
Accrued Depreciation and Amortization	(826,156,134)	(23,051,857)	(21,426,089)	Per Balance Sheet
Materials and Supplies	31,242,899	405,951	1,123,441	Per Balance Sheet
Fuel Stock	24,115,442	3,273,816	-	Per Balance Sheet
Taxable Plant	2,062,340,748	70,918,521	24,582,477	
Capitalization Rate Computation -				
Tax Rate Per Gross Plant in Service (Memo Only)	0.008211	0.014501	0.007596	
Tax Rate Per Taxable Plant	0.011153	0.018325	0.013815	



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 202

Page of 2

Data Request Received: 02/21/19
Request No. 202

Date of Response: 3/3/19
Respondent: Leslie Forest

Submitted by: Andria Jackson

RE: Iatan and Plum Point Prudency

REQUEST:

Please refer to the workpapers provided in support of Adjustment No. 1 (Iatan and Plum Point Prudency) labeled "WP ADJ 1 Iatan and Plum Point Prudency".

On page 4, paragraph 14 of the Stipulation and Agreement attached to the Commission Order in Docket No. 11-EPDE-856-RTS, it states that "...with respect to all prudence issues relating to Iatan 1 AQCS and Iatan 2, the Parties agree that the rate base amount to be attributed to Iatan 1 AQCS, Iatan 2 and Plum Point through August 31, 2011, to reflect Empire's Kansas jurisdictional share of Iatan 1 AQCS, Iatan 2 and Plum Point shall be \$23,143,000."

1. According to Footnote (1) referenced in the plant "Ending Balance" column, Empire's adjustment is based on plant balances at March 31, 2011. Please provide a detailed explanation of why Empire uses the plant balances as of March 31, 2011, rather than using the balances as of August 31, 2011, as agreed to in the Stipulation and Agreement in the 11-856 Docket.

2. For each plant account listed in the workpaper, please provide the ending plant balance as of August 31, 2011, broken down by plant in the same format as shown in the workpaper provided in support of Adjustment 1.

RESPONSE:

1. WP ADJ 1 Iatan and Plum Point Prudency should have utilized the plant balance at August 31, 2011 per the Stipulation and Agreement in Docket 11-856.
2. Please see attachment KS-19-EPDE-223-RTS Staff DR 202 Iatan and Plum Point Plant Balance Aug 2011.xlsx

Verification of Response



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 202

Page of **2**

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 3, 2019

Test Year Ending June 30, 2018

Line No.	Account	Description	Reference	Ending Balance August 31, 2011 (1)	Kansas									Property Tax Rate	Property Tax Adjustment
					Allocation Percentage (2)	Revised	PIS Adjustment	Revised Ending Balance	Book Depreciation Rates -Current	Book Depreciation Expense Adjustment	Accumulated Depreciation Adjustment (3)				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
<u>Production Plant - Iatan 1 - AQCS</u>															
1	311.0	Structures and Improvements	Iatan by Ferc and Project		5.65%	\$ -	\$ -	\$ -	1.06%	\$ -	\$ -	1.12%	\$ -		
2	312.0	Boiler Plant Equipment	Iatan by Ferc and Project	42,900,945	5.65%	2,422,702	(26,430)	2,396,273	1.89%	(500)	3,622	1.12%	(295)		
3	315.0	Accessory Electric Equip	Iatan by Ferc and Project	1,329,721	5.65%	75,092	(819)	74,273	1.81%	(15)	107	1.12%	(9)		
4	316.0	Misc Power Plant Equipr	Iatan by Ferc and Project		5.65%	-	-	-	1.95%	-	-	1.12%	-		
<u>Production Plant - Iatan 2</u>															
6	311.0	Structures and Improvements	Iatan by Ferc and Project	22,119,594	5.65%	1,249,138	(13,627)	1,235,511	1.06%	(144)	1,047	1.12%	(152)		
7	312.0	Boiler Plant Equipment	Iatan by Ferc and Project	99,077,892	5.65%	5,595,127	(61,038)	5,534,089	1.89%	(1,154)	8,364	1.12%	(681)		
8	314.0	Turbogenerator Units	Iatan by Ferc and Project	16,511,991	5.65%	932,465	(10,172)	922,293	1.62%	(165)	1,195	1.12%	(113)		
9	315.0	Accessory Electric Equip	Iatan by Ferc and Project	16,467,366	5.65%	929,945	(10,145)	919,800	1.81%	(184)	1,331	1.12%	(113)		
10	316.0	Misc Power Plant Equipr	Iatan by Ferc and Project	58,503,538	5.65%	3,303,812	(36,042)	3,267,770	1.95%	(703)	5,095	1.12%	(402)		
<u>Production Plant - Iatan 1 and 2 Common</u>															
12	311.0	Structures and Improvements	Iatan by Ferc and Project		5.65%	-	-	-	1.06%	-	-	1.12%	-		
13	312.0	Boiler Plant Equipment	Iatan by Ferc and Project	52,237,712	5.65%	2,949,968	(32,182)	2,917,786	1.89%	(608)	4,410	1.12%	(359)		
14	315.0	Accessory Electric Equip	Iatan by Ferc and Project		5.65%	-	-	-	1.81%	-	-	1.12%	-		
15	316.0	Misc Power Plant Equipr	Iatan by Ferc and Project	431,333	5.65%	24,358	(266)	24,093	1.95%	(5)	38	1.12%	(3)		
<u>Production Plant - Plum Point</u>															
17	303.0	Plum Point	08-11 Plum_Point Balance	3,075,073	5.65%	173,656	(1,894)	171,761	0.00%	-	-	1.12%	(21)		
18	311.0	Structures and Improvements	08-11 Plum_Point Balance	30,290,872	5.65%	1,710,586	(18,661)	1,691,925	1.06%	(198)	1,434	1.12%	(208)		
19	312.0	Boiler Plant Equipment	08-11 Plum_Point Balance	47,603,309	5.65%	2,688,254	(29,327)	2,658,928	1.87%	(548)	3,976	1.12%	(327)		
20	314.0	Turbogenerator Units	08-11 Plum_Point Balance	9,949,668	5.65%	561,878	(6,130)	555,748	1.60%	(98)	711	1.12%	(68)		
21	315.0	Accessory Electric Equip	08-11 Plum_Point Balance	6,964,768	5.65%	393,314	(4,291)	389,024	1.79%	(77)	557	1.12%	(48)		
22	316.0	Misc Power Plant Equipr	08-11 Plum_Point Balance	6,869,958	5.65%	387,960	(4,232)	383,728	1.95%	(83)	598	1.12%	(47)		
23	Total			\$ 414,333,741	5.65%	\$ 23,398,255	\$ (255,255)	\$ 23,143,000		\$ (4,481)	\$ 32,485		\$ (2,847)		

Footnotes

- (1) Project balances for the Iatan I AQCS, Iatan II and Plum Point respective projects at August 31, 2011
 (2) Kansas Allocation 5.65%
 (3) Years of Depreciation 7.25



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 205

Page of 1

Data Request Received: 02/21/19
Request No. 205

Date of Response: 2/27/19
Respondent: Leslie Forest

Submitted by: Andria Jackson

RE: Common Gas Property

REQUEST:

In regards to Adjustment 2 (Common Gas Property) please provide a detailed explanation for why Empire did not include respective adjustments to allocate a portion of depreciation expense and property taxes to EDG.

RESPONSE:

Within Adjustment 2 the Company's intention was to remove the common shared plant in service property and accumulated depreciation associated with gas and fiber. Adjustments for depreciation expense and property tax were not included in the adjustment. However, refer to the document labeled "DR 205 WP ADJ 2 Common Gas Property Adjustment with Depre and Property Tax.xlsx" for calculations of these adjustments.

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 27, 2019

Docket No. 19-EPDE-223-RTS
Exhibit ANJ-11

The Empire District Electric Company
Kansas
Docket No. 19-EPDE-XXX-RTS
WP ADJ 2 Common Property Gas Adjustment
Page 1 of 1

Total Company							
Line No.	Row Labels	Sum of Book Cost	Sum of Allocated Reserve	Sum of Net Book Value	Mass Rate	GAS Plant In Service Adjustment	GAS Accumulated Depreciation Adjustment
1	389 - Land and Land Rights	\$ 959,083	\$ -	\$ 959,083	5.96%	\$ 57,201	\$ -
2	390 - Structures and Improvements	10,934,267	6,620,992	4,313,275	5.96%	652,131	394,883
3	391.1 - Office Furniture & Equip.	5,335,491	2,175,486	3,160,005	5.96%	318,214	129,748
4	391.3 - Computer	13,178,540	10,540,058	2,638,482	5.96%	785,982	628,620
5	397 - Communication Equip.	5,912,180	3,403,172	2,509,008	5.96%	352,609	202,969
6	398 - Misc. Equip.	190,043	140,712	49,331	5.96%	11,334	8,392
7	Grand Total	\$ 36,509,604	\$ 22,880,420	\$ 13,629,184		\$ 2,177,471	\$ 1,364,613

Line No.	General Plant	Total Company		KS Allocator		Kansas	
		GAS Plant In Service Adjustment	GAS Accumulated Depreciation Adjustment	General Plant	Accumulated Depreciation	Plant In Service Common Gas	Accumulated Depreciation Common Gas
	(a)	(b)	(c)	(d)	(e)	(f) = (b) x (d)	(g) = (c) x (e)
8	389 - Land and Land Rights	\$ 57,201	\$ -	5.01%	5.01%	\$ 2,869	\$ -
9	390 - Structures and Improvements	652,131	394,883	5.01%	5.01%	32,704	19,803
10	391.1 - Office Furniture & Equip.	318,214	129,748	5.01%	5.01%	15,958	6,507
11	391.3 - Computer	785,982	628,620	5.01%	5.01%	39,417	31,525
12	397 - Communication Equip.	352,609	202,969	5.01%	5.01%	17,683	10,179
13	398 - Misc. Equip.	11,334	8,392	5.01%	5.01%	568	421
14	Total	\$ 2,177,471	\$ 1,364,613			\$ 109,200	\$ 68,435

FERC	Description	Proposed Depreciation Rate	Annual Depreciation	Property Tax Rate
399	Land	0.00%	-	(32)
390	Structure	2.75%	(899)	(144)
391	Furniture	4.76%	(760)	(105)
391	Computer Equip.	10.00%	(3,942)	(88)
392	Transport. Equip.	7.15%		
393	Stores Equip.	2.50%		
394	Tools	5.00%		
395	Lab Equipment	2.17%		
396	Power Op. Equip.	5.65%		
397	Communication	4.76%	(842)	(84)
398	Misc. Equipment	3.13%	(18)	(2)
Total Proposed Annual Depreciation Expense:			(6,460)	(455)

Property Tax Rate: 1.12%

The Empire District Electric Company
Kansas
Docket No. 19-EPDE-XXX-RTS
WP ADJ 2 Common Gas Property Adjustment
Modified Massachusetts Formula Calculation
Page 1 of 1

		Electric*	EDG	Fibercom	Total	Mass Rate
Net PP&E (as of 06/30/18)	1	1,990,172,178	67,260,288	22,959,137	2,080,391,603	
(Does Not Include CWIP)		95.66%	3.23%	1.10%	100.00%	
Profit Margin (12 MOE 6/30/2018)	2	474,637,411	23,319,840	7,363,155	505,320,406	
		93.93%	4.61%	1.46%	100.00%	
Payroll (12 MOE 6/30/2018)	3	68,052,060	4,618,401	886,351	73,556,812	
(Schedule II)		92.52%	6.28%	1.20%	100.00%	
SUM of Percentages		282.11%	14.13%	3.77%	300.00%	
Average		94.04%	4.71%	1.26%	100.00%	
Sum of Factors		2,532,861,648	95,198,529	31,208,644	2,659,268,821	
		95.25%	3.58%	1.17%	100.00%	
Common Plant Allocation		(12,816,325)	(641,780)	(171,079)	(13,629,184)	5.96%
<i>(Common Plant Allocation uses Massachusetts Formula but is an asset so it is calculated separately)</i>						

Notes:

1 Balances for Net PP&E were found in the June balance sheets (CWIP was subtracted out).

2 Balances for Profit Margin were found in the June income statements.

Electric Balance = Revenues - Fuel and Purchased Power

Gas Balance = Revenues - Cost of Natural Gas Sold and Transported

Nonregulated Balance = Revenues

3 Balances for Payroll were found in the June Schedule 2 (Electric balance includes latan & Plum Point, Water, and Non-Operating).

Row Labels	Sum of Book Cost	Sum of Allocated Reserve
811 E 3rd St - Const Design		
397 - Communication Equip.	4,131.18	1,303.56
811 E 3rd St - Const Design Total	4,131.18	1,303.56
Call Center		
390 - Structures and Improvements	446,822.88	285,676.76
391.1 - Office Furniture & Equip.	8,528.96	4,116.47
391.3 - Computer	14,290.38	4,800.97
397 - Communication Equip.	63,245.96	19,956.73
398 - Misc. Equip.	19,051.17	18,879.06
Call Center Total	551,939.35	333,429.99
Joplin (Jasper Cty)		
389 - Land and Land Rights	228,783.99	-
390 - Structures and Improvements	472,119.50	117,378.47
391.1 - Office Furniture & Equip.	1,860,300.16	1,472,003.46
391.3 - Computer	8,910,749.15	8,443,008.65
397 - Communication Equip.	4,034,846.19	2,322,798.84
398 - Misc. Equip.	84,541.78	71,024.57
Joplin (Jasper Cty) Total	15,591,340.77	12,426,213.99
Joplin (Newton Cty)		
391.3 - Computer	84,250.89	80,511.23
397 - Communication Equip.	192,502.28	56,405.94
Joplin (Newton Cty) Total	276,753.17	136,917.17
Joplin Commercial Operations (Kodiak)		
390 - Structures and Improvements	1,075,655.73	160,723.42
391.1 - Office Furniture & Equip.	1,314,654.41	243,733.72
391.3 - Computer	630,769.48	342,859.99
397 - Communication Equip.	192,236.71	40,696.92
398 - Misc. Equip.	35,287.34	6,442.69
Joplin Commercial Operations (Kodiak) Total	3,248,603.67	794,456.74
Joplin Corporate Office		
389 - Land and Land Rights	606,656.07	-
390 - Structures and Improvements	8,826,919.85	6,005,506.84
391.1 - Office Furniture & Equip.	2,005,161.68	385,909.40
391.3 - Computer	3,412,377.82	1,552,116.33
397 - Communication Equip.	108,819.80	30,533.39
Joplin Corporate Office Total	14,959,935.22	7,974,065.96
Mass Property MO		
389 - Land and Land Rights	4,657.99	-
390 - Structures and Improvements	4,736.66	719.45
391.1 - Office Furniture & Equip.	6,177.31	649.39
397 - Communication Equip.	741,760.39	565,603.29
398 - Misc. Equip.	45,991.06	39,276.51
Mass Property MO Total	803,323.41	606,248.64
Ozark		
389 - Land and Land Rights	6,963.37	-
390 - Structures and Improvements	51,040.19	5,741.59
391.1 - Office Furniture & Equip.	140,668.27	69,073.82
391.3 - Computer	108,939.54	108,939.54
397 - Communication Equip.	522,810.95	349,520.10
398 - Misc. Equip.	5,171.86	5,088.92
Ozark Total	835,594.18	538,363.97
Ozark Call Center		
391.3 - Computer	17,162.56	7,821.30
397 - Communication Equip.	51,826.28	16,353.35
Ozark Call Center Total	68,988.84	24,174.65
Parking Lot - 636 Wall		
389 - Land and Land Rights	112,021.86	-
390 - Structures and Improvements	56,972.38	45,245.60
Parking Lot - 636 Wall Total	168,994.24	45,245.60
Grand Total	36,509,604.03	22,880,420.27

Source: Assets Query "Common Property Gas"

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The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 209

Page of 1

Data Request Received: 02/21/19
Request No. 209

Date of Response: 03/08/19; 03/25/19
Respondent: Leslie Forest

Submitted by: Andria Jackson

RE: Depreciation Expense

REQUEST:

Please provide an update to the depreciation expense worksheet labeled "WP 10.3 Normalized Depr Calc" included in Section 10 of the Application through January 31, 2019.

SUPPLEMENTAL RESPONSE 3/25/19:

Please see attachment "DR 209 Supplement Depr and Amort Expense update 1312019.xlsx". The Company has updated WP 10.3 Normalized Depr Calc with Plant balances as of January 31, 2019 which reflects the annual depreciation expense at the proposed new depreciation rates (less transmission Plant).

ORIGINAL RESPONSE 03/08/19:

Please note the Company is still in the process of finalizing the December 2018 and January 2019 financial statements. Therefore, the Company will provide a supplement to this response once the information becomes available.

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 8, 2019

Date: March 25, 2019

Test Year Ending June 30, 2018 - Updated January 31, 2019

Line No.	FERC	Description	Reference	Total Company Ending Balance	Reclass	Total Company Adjusted Ending Balance	Kansas Ending Balance	Pro Forma Adjustments	Kansas Adjusted Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h)	(i) = (g) + (h)
1		Production:							
2	403	Steam	Section-10 Depr Summary	\$ 22,222,318	\$ -	\$ 22,222,318	\$ 653,140	\$ 670,116	\$ 1,323,256
3	403	Hydro	Section-10 Depr Summary	210,371	-	210,371	7,953	6,285	14,237
4	403	Other	Section-10 Depr Summary	12,725,302	-	12,725,302	605,832	9,031	614,863
5		Total Production	Section-10 Depr Summary	35,157,991	-	35,157,991	1,266,925 ⁽¹⁾	685,432	1,952,357
6	403	Transmission	Section-10 Depr Summary	8,077,779	-	8,077,779	429,123	(429,123)	-
7	403	Distribution	Section-10 Depr Summary	31,519,820	-	31,519,820	1,895,634	(40,422)	1,855,212
8	403	General	Section-10 Depr Summary	3,004,140	-	3,004,140	151,364	84,030	235,394
9		Total Depreciation Expense		77,759,729	-	77,759,729	3,743,046	299,917	4,042,963
10		Amortization of Electric Plant							
11	403	Other Amortization	Section-10 Amort Summary	227,117		227,117	-	-	-
12	404	Amort Ltd-Term Elect/Gas Plant	Section-10 Amort Summary	3,886,813		3,886,813	197,914	-	197,914
13		Total Amortization Expense		4,113,930	-	4,113,930	197,914 ⁽²⁾	-	197,914
14		Total Depreciation & Amortization Expense		\$ 81,873,659	\$ -	\$ 81,873,659	\$ 3,940,959	\$ 299,917	\$ 4,240,876

Footnote:

(1) Allocated to Kansas from Total Company Electric Utility Plant based on Production, Transmission, Distribution and General Plant Subtotal

(2) Accounts are direct assigned

The Empire District Electric Company

Kansas

Docket No. 19-EPDE-223-RTS

Staff Data Request 209

Section 10

WP 10.1- Depreciation Summary

Page 1 of 1

Test Year Ending June 30, 2018 - Updated through January 31, 2019

Line No.	FERC	Description	Reference	Total Company Ending Balance	Reclass	Total Company Revised Ending Balance	Allocation Percentage	Kansas Ending Balance	Annualized Depreciation Expense Adjustment
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)
1		Adjustment Number							Section 10
DEPRECIATION EXPENSE									
2	403	Steam	Sum of 12 months WP Dper Calc	\$ 22,222,318	\$ -	\$ 22,222,318	2.94%	\$ 653,140	\$ 670,116
3	403	Hydro	Sum of 12 months WP Dper Calc	210,371	-	210,371	3.78%	7,953	6,285
4	403	Other	Sum of 12 months WP Dper Calc	12,725,302	-	12,725,302	4.76%	605,832	9,031
5		Total Production Plant		35,157,991	-	35,157,991		1,266,925	685,432
6	403	Transmission Plant	Sum of 12 months WP Dper Calc	8,077,779	-	8,077,779	5.31%	429,123	(429,123)
7	403	Distribution Plant	Sum of 12 months WP Dper Calc	31,519,820	-	31,519,820	6.01%	1,895,634	(40,422)
8	403	General Plant	Sum of 12 months WP Dper Calc	3,004,140	-	3,004,140	5.04%	151,364	84,030
9	403	Total Depreciation Expense		\$ 77,759,729	\$ -	\$ 77,759,729		\$ 3,743,046	\$ 299,917

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Section 10

WP 10.2 Amortization Summary

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Test Year Ending June 30, 2018 - Updated through January 31, 2019

Line No.	GL Account	Description	Reference	Total Company Ending Balance	Pro Forma Adjustment	Total Company Adjusted Ending Balance
	(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)
1		Adjustment Number				
2		Amortization of Electric Plant				
3	403003	MO lat I Amrt O&M ER-2010-0130	WP Amortization Exp	\$ 44,509	\$ -	\$ 44,509
4	403009	MO lat II Amrt O&M ER-2011-0004	WP Amortization Exp	47,397		47,397
5	403011	MO PlmPt Amrt O&M ER-2011-0004	WP Amortization Exp	662		662
6	403012	Def Deprec 5-22-11 tornado	WP Amortization Exp	134,549		134,549
7	404000	Amort Ltd-Term Elect/Gas Plant	WP Amortization Exp	3,886,813		3,886,813
8		Total Amortization of Electric Plant		<u>\$ 4,113,930</u>	<u>\$ -</u>	<u>\$ 4,113,930</u>

Footnote:

(1) Accounts are direct assigned

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Section 10

WP 10.3 Normalized Depr Calc

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Description	FERC	Description	Kansas						
			Test Year Ending 1/31/19 Plant Balance (1)	TDC Adjustment as of 12/31/2017	Adjusted Test Year Ending Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)
Adjustment Number			ADJ-17						
310R	310	Land	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -
311R	311	Structures	-	-	-	11.52%	-	-	-
312R	312	Boiler Plant	-	-	-	11.52%	-	-	-
314R	314	Turbogenerators	-	-	-	11.52%	-	-	-
315R	315	Access. Electric	-	-	-	11.52%	-	-	-
316R	316	Misc. Equipment	-	-	-	11.52%	-	-	-
RIVERTON			-	-	-	-	-	-	-
310A	310	Land	65,602	-	65,602	0.00	-	-	-
311A	311	Structures	1,047,396	-	1,047,396	4.48%	46,923	-	-
312A	312	Boiler Plant	10,607,022	-	10,607,022	5.61%	595,054	-	-
312AT	312	(Unit Train)	-	-	-	5.43%	-	-	-
314A	314	Turbogenerators	1,784,568	-	1,784,568	5.22%	93,154	-	-
315A	315	Access. Electric	334,640	-	334,640	3.80%	12,716	-	-
316A	316	Misc. Equipment	120,820	-	120,820	4.38%	5,292	-	-
ASBURY			13,960,048	-	13,960,048	-	753,140	-	-
310I	310	Land	5,911	-	5,911	0.00%	-	-	-
311I	311	Structures	199,935	-	199,935	1.96%	3,919	-	-
312I	312	Boiler Plant	3,707,416	-	3,707,416	3.25%	120,491	-	-
312IT	312	(Unit Train)	15,988	-	15,988	6.67%	1,066	-	-
314I	314	Turbogenerators	735,405	-	735,405	2.88%	21,180	-	-
315I	315	Access. Electric	407,254	-	407,254	3.67%	14,946	-	-
316I	316	Misc. Equipment	66,586	-	66,586	2.41%	1,605	-	-
IATAN 1			5,138,495	-	5,138,495	-	163,207	-	-
311I2	311	Structures	1,016,914	-	1,016,914	2.92%	29,694	-	-
311.05	311	Reg Plan Amort	-	-	-	0.00%	-	-	-
312I2	312	Boiler Plant	7,143,231	-	7,143,231	1.96%	140,007	-	-
312.05	312	Reg Plan Amort	-	-	-	0.00%	-	-	-
314I2	314	Turbogenerators	2,390,224	-	2,390,224	1.54%	36,809	-	-
314.05	314	Reg Plan Amort	-	-	-	0.00%	-	-	-
315I2	315	Access. Electric	608,056	-	608,056	1.60%	9,729	-	-
315.05	315	Reg Plan Amort	-	-	-	0.00%	-	-	-
316I2	316	Misc. Equipment	47,922	-	47,922	4.18%	2,003	-	-
316.05	316	Reg Plan Amort	-	-	-	0.00%	-	-	-

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			Kansas						
Description	FERC	Description	Test Year Ending 1/31/19 Plant Balance (1)	TDC Adjustment as of 12/31/2017	Adjusted Test Year Ending Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)
Adjustment Number			ADJ-17						
IATAN 2			11,206,347		11,206,347		218,243		
310IC	310	Land	351	-	351	0.00%	-		
311IC	311	Structures	770,060	-	770,060	2.92%	22,486		
312IC	312	Boiler Plant	1,917,222	-	1,917,222	1.96%	37,578		
314IC	314	Turbogenerators	62,883	-	62,883	1.54%	968		
315IC	315	Access. Electric	247,106	-	247,106	1.60%	3,954		
316IC	316	Misc. Equipment	33,706	-	33,706	4.18%	1,409		
IATAN COMMON			3,031,328		3,031,328		66,394		
310P	310	Land	46,482	-	46,482	0.00%	-		
311P	311	Structures	999,473	-	999,473	2.18%	21,789		
312P	312	Boiler Plant	2,617,644	-	2,617,644	2.17%	56,803		
312PT	312	(Unit Train)	253,117	-	253,117	6.67%	16,883		
314P	314	Turbogenerators	836,350	-	836,350	2.18%	18,232		
315P	315	Access. Electric	263,205	-	263,205	2.12%	5,580		
316P	316	Misc. Equipment	144,250	-	144,250	2.07%	2,986		
PLUM POINT			5,160,519		5,160,519		122,273		
TOTAL STEAM PRODUCTION PLANT:			38,496,737		38,496,737		1,323,256	653,140	670,116
330	330	Land	11,006	-	11,006	0.00%	-		
331	331	Structures	40,918	-	40,918	2.39%	978		
332	332	Dams	166,128	-	166,128	1.93%	3,206		
333	333	Turbogenerators	208,869	-	208,869	3.11%	6,496		
334	334	Access. Electric	72,993	-	72,993	3.14%	2,292		
335	335	Misc. Equipment	34,569	-	34,569	3.66%	1,265		
TOTAL HYDRO PRODUCTION PLANT:			534,482		534,482		14,237	7,953	6,285
340E	340	Land	7,926	-	7,926	0.00%	-		
341E	341	Structures	113,227	-	113,227	1.61%	1,823		
342E	342	Fuel Holders	62,823	-	62,823	0.00%	-		
343E	343	Prime Movers	1,319,320	-	1,319,320	2.93%	38,656		
344E	344	Generators	271,593	-	271,593	0.00%	-		

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			Kansas						
Description	FERC	Description	Test Year Ending 1/31/19 Plant Balance (1)	TDC Adjustment as of 12/31/2017	Adjusted Test Year Ending Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)
Adjustment Number			ADJ-17						
345E	345	Access. Electric	106,187	-	106,187	5.55%	5,893		
346E	346	Misc. Equipment	90,136	-	90,136	0.00%	-		
ENERGY CENTER UNITS 1 & 2			1,971,211		1,971,211		46,372		
341FT	341	Structures	54,635	-	54,635	3.27%	1,787		
342FT	342	Fuel Holders	67,974	-	67,974	2.99%	2,032		
343FT	343	Prime Movers	2,416,857	-	2,416,857	3.26%	78,790		
344FT	344	Generators	30,377	-	30,377	3.20%	972		
345FT	345	Access. Electric	165,485	-	165,485	3.15%	5,213		
346FT	346	Misc. Equipment	50,629	-	50,629	3.12%	1,580		
ENERGY CENTER FT8 UNITS 3 & 4			2,785,957		2,785,957		90,373		
340	340	Land	12,303	-	12,303	0.00%	-		
RIVERTON COMMON			12,303		12,303		-		
341R	341	Structures	414,438	-	414,438	4.51%	18,691		
342R	342	Fuel Holders	26,941	-	26,941	2.87%	773		
343R	343	Prime Movers	345,941	-	345,941	1.85%	6,400		
344R	344	Generators	86,473	-	86,473	2.36%	2,041		
345R	345	Access. Electric	80,090	-	80,090	3.13%	2,507		
346R	346	Misc. Equipment	59,150	-	59,150	4.00%	2,366		
RIVERTON CT UNITS 9, 10, 11			1,013,033		1,013,033		32,778		
341R12	341	Structures	865,872	-	865,872	2.42%	20,954		
342R12	342	Fuel Holders	45,951	-	45,951	3.22%	1,480		
343R12	343	Prime Movers	7,352,284	-	7,352,284	2.01%	147,781		
344R12	344	Generators	1,037,646	-	1,037,646	2.05%	21,272		
345R12	345	Access. Electric	1,291,112	-	1,291,112	2.64%	34,085		
346R12	346	Misc. Equipment	127,997	-	127,997	2.11%	2,701		
RIVERTON UNIT 12			10,720,862		10,720,862		228,272		
340S	340	Land	578	-	578	0.00%	-		
341S	341	Structures	53,970	-	53,970	0.00%	-		
342S	342	Fuel Holders	154,885	-	154,885	1.59%	2,463		
343S	343	Prime Movers	1,313,904	-	1,313,904	2.42%	31,796		
344S	344	Generators	373,978	-	373,978	1.41%	5,273		

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			Kansas						
Description	FERC	Description	Test Year Ending 1/31/19 Plant Balance (1)	TDC Adjustment as of 12/31/2017	Adjusted Test Year Ending Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)
Adjustment Number			ADJ-17						
345S	345	Access. Electric	161,789	-	161,789	1.85%	2,993		
346S	346	Misc. Equipment	17,679	-	17,679	3.77%	666		
STATE LINE CT UNIT 1			2,076,782		2,076,782		43,192		
341SC	341	Structures	148,472	-	148,472	2.19%	3,252		
342SC	342	Fuel Holders	11,019	-	11,019	0.00%	-		
343SC	343	Prime Movers	32,234	-	32,234	2.07%	667		
344SC	344	Generators	-	-	-	2.50%	-		
345SC	345	Access. Electric	12,594	-	12,594	2.74%	345		
346SC	346	Misc. Equipment	50,115	-	50,115	2.46%	1,233		
STATE LINE COMMON			254,433	-	254,433		5,497		
340C	340	Land	40,763	-	40,763	0.00%	-		
341C	341	Structures	383,417	-	383,417	2.19%	8,397		
342C	342	Fuel Holders	9,931	-	9,931	0.00%	-		
343C	343	Prime Movers	5,240,203	-	5,240,203	2.07%	108,472		
344C	344	Generators	1,472,123	-	1,472,123	2.50%	36,803		
345C	345	Access. Electric	416,303	-	416,303	2.74%	11,407		
346C	346	Misc. Equipment	134,150	-	134,150	2.46%	3,300		
STATE LINE CC			7,696,891		7,696,891		168,379		
TOTAL OTHER PRODUCTION PLANT:			26,531,472		26,531,472		614,863	605,832	9,031
TOTAL PRODUCTION			65,562,691	-	65,562,691	-	1,952,357	1,266,925	685,432
350	350	Land	579,457	(579,457)	-	0.00%	-		
352	352	Structures	185,367	(185,367)	-	1.82%	-		
352I	352	Structures (Iatan)	1,118	(1,118)	-	1.82%	-		
353	353	Station Equip.	8,403,881	(8,403,881)	-	2.23%	-		
353I	353	Station Eq. (Iatan)	29,638	(29,638)	-	2.23%	-		
354	354	Towers & Fixtures	104,047	(104,047)	-	1.54%	-		
355	355	Poles & Fixtures	4,676,351	(4,676,351)	-	3.51%	-		
356	356	OH Conductor	4,729,599	(4,729,599)	-	1.71%	-		
TRANSMISSION			18,709,459	(18,709,459)	-		-	429,123	(429,123)

Docket No. 19-EPDE-2215
Exhibit A

Docket No. 19-EPDE-223-RTS
Exhibit A
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Section 10

WP 10.3 Normalized Depr Calc

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			Kansas						
Description	FERC	Description	Test Year Ending 1/31/19 Plant Balance (1)	TDC Adjustment as of 12/31/2017	Adjusted Test Year Ending Balance	Proposed Depreciation Rates	Total Proposed Annual Depreciation Expense	Test Year Depreciation Expense	Annualized Depreciation Adjustment
(a)	(b)	(c)	(d)	(e)	(f) = (d) + (e)	(g)	(h) = (f) x (g)	(i)	(j) = (h) - (i)
Adjustment Number			ADJ-17						
360	360	Land	219,428	-	219,428	0.00%	-		
361	361	Structures	693,149	-	693,149	1.56%	10,813		
362	362	Station Equip.	4,699,323	-	4,699,323	2.19%	102,915		
364	364	Poles & Fixtures	19,079,884	-	19,079,884	4.00%	763,195		
365	365	OH Conductor	13,801,120	-	13,801,120	3.39%	467,858		
366	366	UG Conduit	661,767	-	661,767	2.62%	17,338		
367	367	UG Conductor	821,266	-	821,266	2.58%	21,189		
368	368	Transformers	5,753,619	-	5,753,619	2.08%	119,675		
369	369	Services	4,827,148	-	4,827,148	4.44%	214,325		
370	370	Meters	1,368,545	-	1,368,545	2.37%	32,435		
371	371	Private Lights	1,582,772	-	1,582,772	4.43%	70,117		
373	373	Street Lights	1,012,939	-	1,012,939	3.49%	35,352		
375	375	Charging Stations	-	-	-	0.00%	-		
DISTRIBUTION			54,520,961	-	54,520,961		1,855,212	1,895,634	(40,422)
399	399	Land	53,868	(5,834)	48,034	0.00%	-		
390	390	Structure	623,102	(65,704)	557,398	2.75%	15,328		
391	391	Furniture	323,340	(34,652)	288,687	4.76%	13,742		
391C	391	Computer Equip.	755,979	(83,424)	672,555	10.00%	67,255		
392	392	Transport. Equip.	757,637	(80,510)	677,127	7.15%	48,415		
393	393	Stores Equip.	44,683	(4,771)	39,912	2.50%	998		
394	394	Tools	361,728	(39,138)	322,590	5.00%	16,130		
395	395	Lab Equipment	102,538	(10,999)	91,539	2.17%	1,986		
396	396	Power Op. Equip.	903,604	(101,219)	802,385	5.65%	45,335		
397	397	Communication	607,912	(65,677)	542,236	4.76%	25,810		
398	398	Misc. Equipment	14,146	(1,529)	12,617	3.13%	395		
GENERAL			4,548,537	(493,456)	4,055,080		235,394	151,364	84,030
TOTAL ELECTRIC UTILITY DEPRECIATION EXPENSE			\$ 143,341,648	\$ (19,202,916)	\$ 124,138,732		\$ 4,042,963	\$ 3,743,046	\$ 299,917

Footnote:

(1) Balances from Section 4: Plant as of Jan. 31 2019

Docket No. 19-EPDE-223-RTS
Exhibit ANJ-11

Act	Account Name	Kansas Depreciation Rates	
		Depreciation Study Proposed	Existing
(a)	(b)	(c)	(d)
	Riverton Steam Production		
311	Structures And Improvements	11.52%	1.06%
312	Boiler Plant And Equipment	11.52%	1.65%
314	Turbo Generator Units	11.52%	1.59%
315	Accessory Electric Equipment	11.52%	1.79%
316	Miscellaneous Power Plant Equipment	11.52%	1.96%
	Achury Steam Production		
311	Structures And Improvements	4.48%	1.06%
312	Boiler Plant And Equipment	5.61%	1.87%
312.7	Unit Train	5.41%	6.67%
314	Turbo Generator Units	5.22%	1.60%
315	Accessory Electric Equipment	3.80%	1.79%
316	Miscellaneous Power Plant Equipment	4.35%	1.95%
	Isatan I Steam Production		
311	Structures And Improvements	1.96%	1.06%
312	Boiler Plant And Equipment	3.25%	1.89%
312.5	Unit Train	6.67%	6.67%
314	Turbo Generator Units	2.68%	1.62%
315	Accessory Electric Equipment	3.67%	1.81%
316	Miscellaneous Power Plant Equipment	2.41%	1.95%
	Isatan Common Steam Production		
311	Structures And Improvements	2.92%	1.06%
312	Boiler Plant And Equipment	1.96%	1.89%
314	Turbo Generator Units	1.54%	1.62%
315	Accessory Electric Equipment	1.80%	1.81%
316	Miscellaneous Power Plant Equipment	4.18%	1.95%
	Osark Beach Hydro		
331	Structures And Improvements	2.39%	1.66%
332	Reservoirs, Dams And Waterways	1.93%	1.67%
333	Water Wheels, Turbines And Generators	3.11%	1.47%
334	Accessory Electric Equipment	3.14%	1.44%
335	Miscellaneous Power Plant Equipment	3.66%	2.44%
	Riverton Combustion Turbine UNITS 9, 10, & 11		
341	Structures And Improvements	4.51%	1.82%
342	Fuel Holders, Producers & Accessories	2.87%	3.85%
343	Prime Movers	1.85%	1.92%
344	Generators	2.36%	1.82%
345	Accessory Electric Equipment	3.13%	3.57%
346	Miscellaneous Power Plant Equipment	4.00%	4.00%
	Energy Center Combustion Turbine Units 1 & 2		
341	Structures And Improvements	1.61%	1.82%
342	Fuel Holders, Producers & Accessories	0.00%	3.85%
343	Prime Movers	2.93%	1.92%
344	Generators	0.00%	1.82%
345	Accessory Electric Equipment	5.55%	3.57%
346	Miscellaneous Power Plant Equipment	0.00%	4.00%
	State Line Combustion Turbine		
341	Structures And Improvements	0.00%	1.82%
342	Fuel Holders, Producers & Accessories	1.59%	3.85%
343	Prime Movers	2.42%	1.92%
344	Generators	1.41%	1.82%
345	Accessory Electric Equipment	1.85%	3.57%
346	Miscellaneous Power Plant Equipment	3.77%	3.99%
	Energy Center Aero Units 3 & 4		
341	Structures And Improvements	3.27%	1.82%
342	Fuel Holders, Producers & Accessories	2.99%	3.85%
343	Prime Movers	3.26%	1.92%
344	Generators	3.20%	1.82%
345	Accessory Electric Equipment	3.15%	3.57%
346	Misc Power Plant Equipment	3.12%	3.99%
	State Line Combined Cycle		
341	Structures And Improvements	2.18%	2.66%
342	Fuel Holders, Producers & Accessories	0.00%	2.66%
343	Prime Movers	2.07%	2.66%
344	Generators	2.50%	2.66%
345	Accessory Electric Equipment	2.74%	2.66%
346	Miscellaneous Power Plant Equipment	2.46%	2.66%
	Plum Point		
311	Structures And Improvements	2.18%	1.06%
312	Boiler Plant And Equipment	2.17%	1.89%
312	Train	6.67%	6.67%
314	Turbo Generator Units	2.15%	1.62%
315	Accessory Electric Equipment	2.13%	1.81%
316	Miscellaneous Power Plant Equipment	2.07%	1.95%
	Isatan II		
311	Structures And Improvements	2.91%	1.06%
312	Boiler Plant And Equipment	1.96%	1.89%
314	Turbo Generator Units	1.54%	1.62%
315	Accessory Electric Equipment	1.80%	1.81%
316	Miscellaneous Power Plant Equipment	4.18%	1.95%
	Riverton Unit 12		
341	Structures And Improvements	2.42%	1.82%
342	Fuel Holders, Producers & Accessories	3.22%	3.85%
343	Prime Movers	2.01%	1.92%
344	Generators	2.05%	1.82%
345	Accessory Electric Equipment	2.64%	3.57%
346	Miscellaneous Power Plant Equipment	2.11%	4.00%
	Total Production Plant:	3.16%	
	Transmission Plant		
352	Structures And Improvements	1.81%	2.09%
353	Station Equipment	2.23%	2.20%
354	Poles, Towers And Fixtures	1.54%	1.92%
355	Overhead Conductors And Devices	3.51%	3.33%
356	Underground Conduit	2.62%	3.92%
357	Underground Conductors And Devices	2.53%	3.59%
358	Line Transformers	2.03%	2.73%
359	Services	4.44%	5.00%
370	Meters	2.37%	2.27%
371	Installations On Customers' Premises	4.43%	5.80%
379	Street Lighting And Signal Systems	3.49%	3.13%
	Total Distribution Plant:	3.15%	
	General Plant		
390	Structures And Improvements	2.75%	2.75%
391.1	Office Furniture And Equipment	4.76%	5.00%
391.2	Computer Equipment	10.00%	10.00%
392	Transportation Equipment	7.15%	7.68%
393	Store Equipment	2.50%	3.17%
394	Tools, Shop And Garage Equipment	5.00%	4.50%
395	Laboratory Equipment	2.17%	2.63%
396	Power Operated Equipment	5.65%	6.31%
397	Communication Equipment	4.76%	4.00%
398	Miscellaneous Equipment	3.13%	4.55%
	Total General Plant:	6.00%	



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
Request No. 289

Date of Response: 03/22/19
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



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 290

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Data Request Received: 03/19/19
Request No. 290

Date of Response: 03/25/19
Respondent: Leslie Forest

Submitted by: Andria Jackson

RE: Common Gas Property

REQUEST:

In Data Request No. KCC-204, Staff inquired why Empire included Fibercom in its calculation of the 5.96% allocation for common gas property to be removed from the cost of service. In its response, Empire stated that Fibercom is a non-regulated utility, also known as Empire District Industries, Inc. (EDI), and therefore a portion of Empire Electric common property should be allocated to both Empire Gas and EDI services.

Please provide a detailed explanation of why Empire removed a portion of common property for both gas and fiber services but included water and non-operating balances in its allocation of electric common plant. Additionally, please explain why Empire believes it is appropriate to include water and non-operating balances in its allocation of electric common property to be included in its Kansas jurisdictional cost of service.

RESPONSE:

Please refer to Company response to KCC Data Request 289.

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 25, 2019



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 292

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Data Request Received: 03/19/19

Date of Response: 03/27/19

Request No. 292

Date of Supplemental Response: 04/25/19

Respondent: Leslie Forest, Charlotte Emery

Submitted by: Andria Jackson

RE: Common Gas Property

REQUEST:

Please update the workpapers provided in support of the common gas property adjustment (ADJ 3) through January 31, 2019. Additionally, in the updated "Mass Rate" workpaper please provide a breakdown of the allocations between electric, water, non-operating, gas, and fiber.

SUPPLEMENTAL RESPONSE:

Upon inquiry from Kansas Corporation Commission Staff it was determined the calculation provided to update the ADJ 3 to January 31, 2019 balance had an incorrect amount reported. Therefore, please find a revised workpaper with the corrected amounts. Please refer to the file labeled "STAFF DR 292 Common Property Non-Electric at 1-31-19 – Supplement.xlsx".

ORIGINAL RESPONSE:

The Company has updated the adjustment which removes the allocated non-electric common property from the electric general plant balance as of January 31, 2019.

Please refer to the following attachments:

STAFF DR 292 Common Property Non-Electric at 1-31-19.xlsx.

01-19 Balance Sheet Electric and Water.xlsx

01-19 Balance Sheet EDG.xlsx

01-19 Balance Sheet EDI.xlsx

01-19 Inc Stmt Consolidated.xlsx



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 292

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01-19 Sch 2 (payroll).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: March 27, 2019

Signed: /s/ Charlotte Emery

Date: April 25, 2019

The Empire District Electric Company
Kansas

Docket No. 19-EPDE-292-RTS

SUPPLEMENTAL Staff Data Request 292

WP ADJ 2 Common Property Non-Electric Adjustment update to January 31, 2019

Page 1 of 1

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	6.36%	\$ 60,999	\$ -
2	390 - Structures and Improvements	11,250,520	6,790,039	4,460,481	6.36%	715,549	431,856
3	391.1 - Office Furniture & Equip.	5,395,227	2,312,035	3,083,192	6.36%	343,144	147,049
4	391.3 - Computer	13,261,524	11,072,580	2,188,944	6.36%	843,452	704,232
5	397 - Communication Equip.	5,914,277	3,563,415	2,350,863	6.36%	376,157	226,638
6	398 - Misc. Equip.	195,464	140,197	55,267	6.36%	12,432	8,917
7	Grand Total	\$ 36,976,096	\$ 23,878,266	\$ 13,097,831		\$ 2,351,733	\$ 1,518,692

		Total Company		KS Allocator	KS 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	\$ 60,999	\$ -	5.01%	5.01%	\$ 3,059	\$ -
9	390 - Structures and Improvements	715,549	431,856	5.01%	5.01%	35,885	21,658
10	391.1 - Office Furniture & Equip.	343,144	147,049	5.01%	5.01%	17,209	7,374
11	391.3 - Computer	843,452	704,232	5.01%	5.01%	42,299	35,317
12	397 - Communication Equip.	376,157	226,638	5.01%	5.01%	18,864	11,366
13	398 - Misc. Equip.	12,432	8,917	5.01%	5.01%	623	447
14	Total	\$ 2,351,733	\$ 1,518,692			\$ 117,939	\$ 76,162

The Empire District Electric Company
Kansas
Docket No. 19-EPDE-223-RTS
Staff Data Request 292
WP ADJ 2 Common Non-Electric Property Adjustment
Modified Massachusetts Formula Calculation
Page 1 of 1

		Electric	Water	Nonutility / Non Operating	Electric* 4	EDG	Fibercom	Total	Mass Rate
Net PP&E (as of 01/31/19) (Does Not Include CWIP)	1	1,989,279,529 95.29%	8,188,528 0.39%	25,478 0.00%	1,997,493,534 95.68%	67,183,660 3.22%	22,914,659 1.10%	2,087,591,853 100%	
Profit Margin (12 MOE 1/31/2019)	2	445,690,614 93.42%	2,054,269 0.43%	- 0.00%	447,744,884 93.85%	23,098,005 4.84%	6,257,733 1.31%	477,100,622 100%	
Payroll (12 MOE 1/31/2019) (Schedule II)	3	72,303,815 92.21%	455,323 0.58%	88,826 0.11%	72,847,964 92.91%	4,549,711 5.80%	1,012,357 1.29%	78,410,031 100%	
SUM of Percentages Average		280.92% 93.64%	1.40% 0.47%	0.11% 0.04%	282.44% 94.15%	13.86% 4.62%	3.70% 1.23%	300% 100%	
Sum of Factors		2,507,273,958 94.86%	10,698,120 0.40%	114,304 0.00%	2,518,086,382 95.27%	94,831,376 3.59%	30,184,749 1.14%	2,643,102,506 100.00%	
Common Plant Allocation (Common Plant Allocation uses Massachusetts Formula but is an asset so it is calculated separately)		(12,264,790)	(61,277)	(4,999)	(12,331,066)	(605,208)	(161,557)	(13,097,831)	6.36%

Notes:

1 Balances for Net PP&E were found in the January balance sheets (CWIP was subtracted out). (Nonutility plant and accum depr is found on 4ST WP PIS Detail)

2 Balances for Profit Margin were found in the January income statements.

Electric Balance = Revenues - Fuel and Purchased Power

Water Balance = Revenues

Gas Balance = Revenues - Cost of Natural Gas Sold and Transported

Nonregulated Balance = Revenues (Fiber Com)

3 Balances for Payroll were found in the January Schedule 2 (Electric balance includes Iatan & Plum Point, Water, and Non-Operating).

4 Electric * is total of Electric Water and NonUtility/NonOperating

Row Labels	Sum of Book Cost	Sum of Allocated Reserve
811 E 3rd St - Const Design		
397 - Communication Equip.	4,131.18	1,471.30
811 E 3rd St - Const Design Total	4,131.18	1,471.30
Call Center		
390 - Structures and Improvements	446,822.88	293,215.46
391.1 - Office Furniture & Equip.	8,528.96	4,393.61
391.3 - Computer	14,290.38	7,061.18
397 - Communication Equip.	63,245.96	22,524.69
398 - Misc. Equip.	19,051.17	18,659.80
Call Center Total	551,939.35	345,854.74
Joplin (Jasper Cty)		
389 - Land and Land Rights	228,783.99	-
390 - Structures and Improvements	629,219.46	131,372.40
391.1 - Office Furniture & Equip.	1,863,547.50	1,500,477.85
391.3 - Computer	8,933,304.47	8,491,888.66
397 - Communication Equip.	4,036,943.89	2,432,416.71
398 - Misc. Equip.	89,963.01	70,718.79
Joplin (Jasper Cty) Total	15,781,762.32	12,626,874.41
Joplin (Newton Cty)		
391.3 - Computer	6,380.32	2,292.90
397 - Communication Equip.	192,502.28	64,019.48
Joplin (Newton Cty) Total	198,882.60	66,312.38
Joplin Commercial Operations (Kodiak)		
390 - Structures and Improvements	1,114,776.89	186,934.39
391.1 - Office Furniture & Equip.	1,317,872.94	284,332.61
391.3 - Computer	655,518.28	451,520.87
397 - Communication Equip.	192,236.71	47,818.22
398 - Misc. Equip.	35,287.34	7,452.58
Joplin Commercial Operations (Kodiak) Total	3,315,692.16	978,058.67
Joplin Corporate Office		
389 - Land and Land Rights	606,656.07	-
390 - Structures and Improvements	8,927,270.55	6,124,431.29
391.1 - Office Furniture & Equip.	2,009,265.06	448,361.65
391.3 - Computer	3,589,898.87	2,064,505.15
397 - Communication Equip.	108,819.80	34,747.83
Joplin Corporate Office Total	15,241,910.35	8,672,045.92
Mass Property MO		
389 - Land and Land Rights	4,657.99	-
390 - Structures and Improvements	4,736.66	835.25
391.1 - Office Furniture & Equip.	9,422.09	1,052.48
397 - Communication Equip.	741,760.39	581,374.01
398 - Misc. Equip.	45,991.06	38,341.79
Mass Property MO Total	806,568.19	621,603.53
Ozark		
389 - Land and Land Rights	6,963.37	-
390 - Structures and Improvements	51,040.19	6,949.26
391.1 - Office Furniture & Equip.	140,668.27	72,243.76
391.3 - Computer	44,969.01	44,651.03
397 - Communication Equip.	522,810.95	360,584.83
398 - Misc. Equip.	5,171.86	5,024.20
Ozark Total	771,623.65	489,453.08
Ozark Call Center		
390 - Structures and Improvements	19,681.04	414.84
391.1 - Office Furniture & Equip.	45,922.47	1,172.90
391.3 - Computer	17,162.56	10,660.29
397 - Communication Equip.	51,826.28	18,457.64
Ozark Call Center Total	134,592.35	30,705.67
Parking Lot - 636 Wall		
389 - Land and Land Rights	112,021.86	-
390 - Structures and Improvements	56,972.38	45,885.87
Parking Lot - 636 Wall Total	168,994.24	45,885.87
Grand Total	36,976,096.39	23,878,265.57



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 322

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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



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 323

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Data Request Received: 04/09/19
Request No. 323

Date of Response: 04/17/19
Respondent: Christi Botts

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 each amount listed below, please provide a detailed description of the expense included in the case and verify whether or not the amounts are solely related to Missouri jurisdictional customers as indicated in the workpaper:

1. PeopleSoft Costs ER-2011-0004 - \$1,183
2. Reg Pension Costs Amortization - (\$329)
3. Reg Asset - Unrealized Deriv - (\$5,146)
4. Reg OPEB Costs Amortization - (\$1,716)
5. Reg Liab - Unrealized Deriv - (\$5,146)

RESPONSE:

1. PeopleSoft Costs – In accordance with the order approved in Missouri Docket ER-2011-0004, this is for recovery of certain project costs that Empire incurred for new financial software totaling, \$313,031 and bears no relation to Kansas and therefore should not be included in the cost of service of Kansas retail customers.
2. Reg Pension Cost Amortization – This is Missouri's share of Empire's amortization of the previous pension tracker balance and bears no relation to Kansas and therefore should not be included in the cost of service of Kansas retail customers.
3. Reg Asset – Unrealized Deriv – This is for a period total of unrealized losses for Empire's portfolio of fuel derivatives being marked to market value related to Empire's Missouri and Kansas retail jurisdictions.
4. Reg OPEB Cost Amortization – This is Missouri's share of Empire's amortization of its previous OPEB tracker balance and bears no relation to Kansas and therefore should not be included in the cost of service of Kansas retail customers.
5. Reg Liab – Unrealized Deriv – This relates to the period total of unrealized gains for Empire's portfolio of fuel derivatives being marked to market value related to Empire's Missouri and Kansas retail jurisdictions.



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 323

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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/Christi Botts

Date: April 17, 2019



The Empire District Electric Company
A Liberty Utilities Company

Docket No. 19-EPDE-223-RTS

Staff Data Request – 332

Page of 1

Data Request Received: 04/10/19
Request No. 332

Date of Response: 04/19/2019
Respondent: Charlotte Emery

Submitted by: Andria Jackson

RE: TDC Revenue Requirement

REQUEST:

Please refer to the total income tax calculation shown on line 106 of the workpaper labeled "WP TFR Calculation" included in the workpapers provided in support of Adjustment No. 17. It appears that the Investment Tax Credit of \$11,639 is being added to \$346,431 of income taxes for a total of \$358,069. Please provide a detailed explanation for why the ITC, a reduction to tax expense, is being added to total income tax.

RESPONSE:

During the discovery phase of the annual Transmission Formula Rate ("TFR") Update it was discovered that the Company inadvertently entered a negative amount for the Investment Tax Credit ("ITC") within the template. This issue resulted in the TFR formula calculation to add the ITC to tax expense where it should have been a subtraction from tax expense. The Company has agreed to correct this issue within its 12/31/2018 TFR annual update.

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.

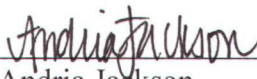
Signed: /s/ Charlotte Emery

Date: 04/19/2019

VERIFICATION

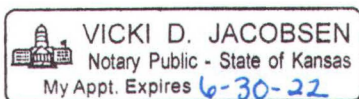
STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

Andria Jackson, being duly sworn upon her oath deposes and states that she is the Senior Managing Auditor for the Utilities Division of the State Corporation Commission of the State of Kansas; that she has read and is familiar with the foregoing *Direct Testimony*, and attests that the statements contained therein are true and correct to the best of her knowledge, information and belief.



Andria Jackson
Senior Managing Auditor
Kansas Corporation Commission
of the State of Kansas

SUBSCRIBED AND SWORN to before me this 13th day of May, 2019.





Notary Public

My Appointment Expires: 6-30-22

CERTIFICATE OF SERVICE

19-EPDE-223-RTS

I, the undersigned, certify that a true and correct copy of the above and foregoing Direct Testimony 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