BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of The Empire District)	
Electric Company's Request for Authority)	
to File Tariffs Increasing Rates for Electric)	File No. ER-2021-0312
Service Provided to Customers in its)	
Missouri Service Area	j	

RENEW MISSOURI'S POSITION STATEMENTS

COMES NOW, COMES NOW, Renew Missouri Advocates d/b/a Renew Missouri ("Renew Missouri"), and offers these Position Statements on the issues:

4. PISA

- (a) Should the Commission order Empire to file cost-benefit analyses for investments greater than \$1 million and outcome-based objective metrics (benchmarks) that include both baseline and target metrics in Case No. EO-2019-0046 by the end of the calendar year 2022?
- (b) If so, should Empire be ordered to meet with interested parties to discuss the parameters and assumptions surrounding the filing at least twice leading up to the filing?
- (c) Should Empire be ordered to update the studies and metrics on an annual basis as long as PISA is in place for Empire?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

6. Empire's Emergency Conservation Plan: Should Empire's Emergency Conservation Plan be modified to trigger phase I of the plan when SPP wholesale market energy prices reach \$500/MWh (\$0.50/kWh) and phase II when SPP wholesale market energy prices reach \$1000/MWh (\$1.00/kWh)?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

7. Value of Lost Load Study: Should Empire be required to engage with interested stakeholders at least twice for input regarding the scope, methodology, questions and goals of a value of lost load study to be conducted in calendar year 2022 before the cold weather season by an independent third party retained by Empire for purposes of recommending changes to Empire's Emergency Conservation Plan embodied in its tariff?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

8. Low-Income Programs

- (a) Should the LIPP continue?
- (b) If so, what, if any, modifications should be made?
- (c) Should the Commission order Empire to implement a Keeping Current and Keeping Kool-like bill assistance program?
- (d) If so, should the Commission order Empire to provide shareholder funding of \$500,000 annually?
- (e) Should the Commission order Empire to create a Critical Needs Program consistent with the Critical Needs Program the Commission approved in Case Nos: GR-2021-0108 and ER-2021-0240?
- (f) If so, should the Commission order annual funding of \$200,000, with funding split 50/50 between customers and shareholders, and with unspent funding allocated to Empire's bill assistance program?
- (g) Should the Commission order Empire to fund a one-time independent 3rd party needs assessment study that should not exceed \$100,000 in funding from Empire's bill assistance program.

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

9. Late Fee: Should Empire's late fee be reduced from 0.5% to 0.25%?

Renew Missouri Position:

Yes.

10. Low-Income Weatherization Program ("LIWAP")

- (a) Should the budget for the LIWAP program be increased by \$500,000?
- (b) If so, should Empire be ordered to provide shareholder funding for this amount?

- (c) Should the Commission order Empire to give the three agencies—Economic Security Corporation, Ozark Area Community Action Corporation, and West Central Missouri Community Action Agency—more discretion in how they may utilize funds from Empire?
- (d) Should the Commission order Empire's Annual Low-Income meetings to continue to occur?

Renew Missouri Position:

Yes, the Commission should encourage expanding the funding for the Low-Income Weatherization Program as described in the testimony of Staff witness Kory Boustead and OPC witness Geoff Marke.

11. J.D. Power Customer Satisfaction Reports: Should Empire be required to file its future annual company-specific J.D. Power Reports (not just the scores) in this docket together with memoranda that detail how Empire is improving its relationships with its customers in light of the J.D. Power Report scores of Empire relative to its peers, as well as its relative rank across the United States, and specifically as it pertains to its cost of service.

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

14. Rate Base Issue: What are the appropriate Cash Working Capital expense lag days for Asbury?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

15. Income Statement Issue: Should credit rating agency fees in the amount of \$431,779 be included in the cost of service?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

16. Wind Projects

- (a) Should rate base be reduced based on test generation wind revenue?
- (b) Should the amount of the rate base addition of the wind projects include reductions by the net revenues, RECs, and PTCs generated by the wind projects (including for test power) until the date new rates from this case become effective?
- (c) Should the amount of the rate base addition of the wind projects include reductions for the payments to Tenaska pursuant to the Purchase and Sale Agreement when it elected to terminate its role as contractor for two of the wind projects?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

17. PAYGO

- (a) Should Paygo be included as an FAC revenue?
- (b) Should Paygo be included in the general revenue requirement?
- (c) Should an estimated amount of Paygo be included in revenue requirement and the balance tracked and adjusted in the next general rate case?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

18. Market Price Protection Mechanism ("MPPM")

- (a) Is it necessary and appropriate for the Commission to make changes to the MPPM in this case?
- (b) If so,
 - i. Should the rate base revenue requirement component remain formulaic or only change with the effective dates of new rates?
 - ii. What costs should be included?
 - iii. What revenues should be included?
 - iv. How should the PPA replacement value be calculated?
 - v. When should a jurisdictional allocation factor be applied?
 - vi. Should the MPPM include interest on the cumulative costs/gains?
 - vii. If the cumulative value at the end of ten years is a net cost, how should the net cost be shared between customers and Empire?
- (c) How should the components in Empire's MPPM be tracked?

Renew Missouri Position:

The MPPM was a result of negotiations between multiple parties to reach a mechanism to balance the sharing of risk between customers and shareholders associated with the possibility that the Wind Projects do not generate enough revenue. It was ordered by the Commission in Case No. EA-2019-0010 and does not need to be changed in this case.

19. Fuel Adjustment Clause ("FAC")

- (a) Should the revised FAC subaccount testimony schedule submitted by Empire be adopted?
- (b) Which FERC subaccounts, if any, should be added to Empire's FAC?
- (c) Which FERC subaccounts, if any, should be removed from Empire's FAC?
- (d) What should be included in the FAC base factor for this case?
- (e) What is the percentage of SPP and MISO transmission expense that should be recovered through the FAC?
- (f) What percentage of the SPP transmission revenues should be included in the FAC? What is the amount of transmission revenues that should be included in the FAC base factor calculation?
- (g) What amount of REC revenues from the Wind Projects shall be included in the FAC base factor calculation?
- (h) Should the wind project costs that Empire calls hedging costs/gains be included in the FAC?
 - *i.* If yes, what amount of costs/gains should be included in the calculation of the FAC base factor?
- (i) Should the paygo component of the wind project contracts be included in the FAC?
 - i. If yes, what amount of paygo should be included in the calculation of the FAC base factor?
- (j) Should the value of the wind project production tax credits transferred to Empire be included in the FAC?
- (k) What additional FAC reporting requirements should the Commission require of Empire?
- (1) How should the FAC tariff sheets be revised?
 - i. Should the FAC tariff sheets include language that allows the Commission to allow a variance from any provision of the FAC?
 - ii. Should the FAC tariff sheets include language that would allow for extended recovery periods?
 - iii. Should the FAC tariff sheets explicitly prohibit recovery of retirement and/or decommissioning costs related to the retirement of a generation plant? If so, what language should be adopted?
 - iv. Should the FAC tariff sheets explicitly prohibit recovery of fuel and purchased power costs for research and development? If so, what language should be adopted?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

20. Transmission Tracker: If Empire is not authorized to include transmission revenues and expenses in the FAC, should Empire be granted a transmission tracker to track transmission revenues and expenses between rate cases?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

21. Rate of Return; Return on Equity; Capital Structure; Cost of Debt

- (a) What return on common equity should be used for determining the rate of return?
- (b) What capital structure should be used for determining the rate of return?
- (c) What cost of debt should be used for determining rate of return?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

22. Allowance for Funds Used During Construction: What metric should be used for Empire's carrying cost rate for funds it uses during construction that are capitalized?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

23. Class Cost of Service and Rate Design: How should Empire's revenue requirement be allocated amongst Empire's customer rate classes (class revenues responsibilities)?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

24. Depreciation Issue: Should the Commission allow Empire to book assets for general plant in accordance with the Federal Energy Regulatory Commission Accounting Release 15?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

25. *Retiree Issue: Is Empire meeting the merger stipulation employee benefit obligations to its retired employees?*

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

26. Asbury

- (a) Should the \$122.4 million of net book value of Empire's 2015 AQCS investment in Asbury that remained when Empire retired Asbury be included in Empire's cost-of-service through the Asbury AAO or otherwise?
- (b) What is the retirement date for Asbury?
- (c) What balances should be included in the Asbury AAO regulatory asset?
- (d) What balances should be included in the Asbury AAO regulatory liability?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

27. Resource Adequacy: Do Empire's current resources provide adequate electricity to meet its customers' load requirements?

Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

28. Storm Uri

- (a) What is the amount of Empire's prudently incurred extraordinary Storm Uri costs?
- (b) Over what time should Empire's prudently incurred extraordinary Storm Uri costs be amortized?

- (c) What carrying costs should apply?
- (d) Should Empire collect a return on Empire's prudently incurred Storm Uri costs? Renew Missouri Position:

Renew Missouri did not file testimony on this issue but reserves the right to base a final position on the evidence presented at hearing.

WHEREFORE, Renew Missouri respectfully submits its Position Statements.

Respectfully Submitted,

/s/ Tim Opitz

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 31st day of January 2022:

/s/ Tim Opitz