



Liberty Utilities (The Empire District Electric Company)

Case No. ER-2021-0312

Office Public Counsel Data Request - 8124

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Request No. 8124

Submitted by: Lena Mantle, lena.mantle@opc.mo.gov

Supplemental Response Date: 2022-01-12

Witness/Respondent: Todd Mooney

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**REQUEST:**

What does Liberty witness Mr. Mooney mean when he states on page 3 of his rebuttal testimony, “The MPPM provides up to \$52.5 million of protection to customers”? How does the MPPM provide up to \$52.5 million of protection to Empire’s customers? Is it possible for Empire’s customers to receive \$52.5 million from Empire at the end of the ten year period of the MPPM? If so, please provide the support in the Non-unanimous Stipulation and Agreement or elsewhere of how it is possible for Empire’s customers to receive \$52.5 million from Empire at the end of the ten year period of the MPPM.

**SUPPLEMENTAL RESPONSE 01/12/2022:**

Yes, it is possible for Empire’s customers to receive \$52.5 million from Empire at the end of the ten year period of the MPPM. This would occur if the cumulative Annual Sharing Value after 10 years exceeds the Guarantee amount of \$52.5 million and if the Commission determined in the subsequent rate case that customers should receive more.

**ORIGINAL RESPONSE DATED 01/06/2022:**

As defined in the Non-Unanimous Stipulation and Agreement, the Guarantee is defined as the “maximum exposure to the negative (regulatory liability) over the life of the Guarantee. The Guarantee will be a fixed positive value of \$52,500,000 Missouri jurisdictional...exclusive of carrying costs.” See attached “[EA-2019-0010 non unanimous stipulation](#)” beginning on page 16.

Pursuant to the Market Price Protection Mechanism approved in EA-2019-0010, “Any regulatory liability existing at the end of the Guarantee Period shall be amortized starting with the effective date of rates in the first rate case after the end of the Guarantee Period. The appropriate amortization period will be determined in such rate case. If the regulatory liability exceeds the Guarantee amount of \$52,500,000

(Missouri jurisdictional) at the end of the Guarantee period, the treatment of any amounts above the Guarantee shall be determined in the first rate case after the end of the Guarantee Period.”