

PUBLIC HEARING AND COMMENT PERIOD

Empire District Electric Company Rate Case

The Empire District Electric Company (“Empire”) filed an Application with the Kansas Corporation Commission (“Commission” or “KCC”) seeking approval to make certain changes in its charges for electric service.

Public Hearing

The Commission has scheduled a public hearing concerning Empire’s application. This hearing will provide information about Empire’s proposed changes in its charges for electric services and provide an opportunity for customers to ask questions and to present testimony or comments for the Commission’s consideration.

The public hearing typically consists of two parts: During the first part, representatives of Empire, KCC Staff and CURB will be available to answer customers’ questions pertaining to the proposed rate changes. In the second part of the public hearing, customers may make formal statements to the Commission concerning the rate changes. However, the Kansas Corporation Commission may determine how to best accommodate the public participation in this important rate proceeding.

The date, time and place of the public hearing are:

Thursday, March 28, 2019, beginning at 6:00 p.m. (CDT)

Columbus Unified High School

124 South High School Avenue
Columbus, Kansas 66725

The hearing will be recorded and posted on the Commission’s website at www.kcc.ks.gov for those unable to attend

In addition, the Commission will accept written comments from the public until 5:00 p.m. (CDT), June 14, 2019. Comments regarding this case should reference Docket No. 19-EPDE-223-RTS. The public can mail their comments to the Kansas Corporation Commission Office of Public Affairs and Consumer Protection, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027. The public can also submit comments through the Commission’s website www.kcc.ks.gov and click on the “Your Opinion Matters” link or with a toll-free call to 1-800-662-0027.

A complete copy of Empire’s application and supporting testimony is available on the Commission’s website at:

<http://estar.kcc.ks.gov/estar/portal/kscs/page/docket-docs/PSC/DocketDetails.aspx?DocketId=274e2436-a14e-4d85-a8af-5989524d720d>

The KCC has until August 29, 2019 to make a decision on the proposed rate increase.

Empire District Electric Company's Proposed Rate Changes

In its application (filed on December 10, 2018), Empire proposed an overall annual increase in gross revenues of \$4,856,267 (KCC Docket 19-EPDE-223-RTS).

Outline of Empire's request:

- \$2.5 million increase.
 - As of June 30, 2018, Empire has approximately 8,173 residential customers, 1,294 commercial customers, 151 industrial customers and 52 public and street and highway customers.
 - If the Commission were to approve the Empire request as proposed, it would result in a monthly increase on \$19.99 per month for the average Kansas customer.
 - Empire is requesting a ROE of 10.2%
- Drivers for the rate increase:
 - There has been no base rate increase for Empire customers since 2011;
 - Empire has made significant investments in generation, transmission and distribution;
 - Increase costs due to normal and inflationary increases in operating costs; and
 - Tax issues related to the Tax Cuts and Jobs Act.
- Other Items
 - Empire is requesting a Revenue Stabilization Rider which is actually a form of decoupling that addresses the alleged misalignment between the structure of utility costs and the structure of utility rates;
 - Empire is requesting to roll the AERR Rider into base rates;
 - Proposal for a Capital Tracker Rider;
 - Proposal for a TDC Rider for recovery of Empire's transmission related investments and expenses; and
 - Request of the Commission to allow Empire to offset the tax savings amount accrued as a regulatory liability with Empire's other cost of service components.

Evidentiary Hearing

The Kansas Corporation Commission has scheduled an evidentiary hearing on the proposed rate changes to begin Tuesday, June 25, 2019, at 10:30 a.m. and continue as needed June 26-27, 2019 at 9:00 a.m., at the KCC's First Floor Hearing Room, 1500 SW Arrowhead Road, Topeka, KS.

Additional Information is available from the KCC and CURB

For more information about Empire's proposed changes, the public hearing or the technical hearing, contact the Kansas Corporation Commission Office of Public Affairs and Consumer Protection at 1-800-662-0027. Any persons requiring special accommodations at the hearing site under the Americans with Disabilities Act must give notice to the Commission at least 10 days prior to the scheduled hearing date by calling 1-800-662-0027.

The Citizens' Utility Ratepayer Board (CURB) can also be contacted 785-271-3200 for further information.