Supplemental Response to Missouri Cities TFR Question # 13d

**Q.** An explanation as to why the “Plum Point Transmission Credits” of $37,319.64 have not been included as a revenue credit in the 2015 Update.

**A.** The Plum Point credits are associated with additional credits Empire has/will receive that are related to the Intangible Investment in the Plum Point Switchyard (Lines 3, 3a, and 3b of Attachment 10A of the TFR). Since a portion of the Plant in Service and the Amortization of this Intangible Investment is included in the TFR expenses, Empire concurs that a portion of the “Plum Point Credits” should be credited back to the TFR customers.

For the 2015 Annual Update (based on 2014 Data), the allocated percentage to the TFR of this Intangible Investment is 7.7760%, using the 2014 Wage/Salary allocator (see Lines 24, 32, and 71 of the Appendix A in the TFR). Therefore the portion of the “Plum Point Credits” allocated to the TFR should be 7.7760% of $37,320 = $2,902 (which should have been credited on Line 19, Page 3 of the Inputs worksheet in the TFR).

Similar calculations and adjustments to the 2012, 2013, and 2014 TFR Annual Updates (based on 2011, 2012 and 2013 data) should also be made. Because the 2015 Annual Update has already been submitted to SPP, all four years’ worth of adjustments (including Interest at the FERC-approved rates) will appear as a “refund” in the 2016 TFR Annual Update on Page 2 of Attachment 11.

The 2014 Annual Update adjustment calculation (based on 2013 data) is as follows:

$37,320 credits x 6.9065% = $2,578 (+ FERC Interest).

The 2013 Annual Update adjustment calculation (based on 2012 data) is as follows:

$37,320 credits x 6.4816% = $2419 (+ FERC Interest).

The 2012 Annual Update adjustment calculation (based on 2011 data) is as follows:

$96,233 credits x 6.2411% = $6006 x 0.5\* = $3003 (+FERC Interest)

\*2012 Version did not become effective until 1/1/2013, was only in effect for ½ year until 7/1/13.