House Committee on Energy, Utilities, and Telecommunications

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Staff Response to London Economics Rate Study

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Kansas
Corporation Commission

LEI's Three Key Areas for Improvement (p.11)

Item No. 1:

LEI states: "the current IOU ratemaking practices reflect *some degree of imbalance between utility incentives and public interest objectives* (such as achieving regionally competitive rates or other public policy objectives). For instance, retail rates for Kansas consumers have generally increased in the last decade to become higher than the regional average." [Emphasis added].

However, LEI states in Section 4.2.8.2 at page 89: "The increasing trend of IOU electricity rates in the State *indicates a degree of imbalance between utility profits and public interest objectives* when considering rates in other regional states." [Emphasis added]. This statement leads the reader to believe that it is public utility "profits" that are a cause of the increase in rates.

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Item No. 1 (Cont'd):

LEI's last statement on slide 2 is contradictory to its findings in the Study and it appears as if LEI's finding is that "*some degree of imbalance between utility incentives and public interest objectives*." is the overarching conclusion, not that utility profits are creating an imbalance. Staff's conclusion is based on the following findings:

- LEI states at Section 3.3 on page 47: "The increase in electricity rates in Kansas can be attributed to several key drivers, namely, flattening demand, investments in environmental retrofits at fossil fuel-fired plants to meet federal regulations, and increasing transmission costs." These finding are consistent with Staff's Rate Study.

LEI's Three Key Areas for Improvement (p.11)

Item No. 1 (Cont'd):

- There is only one element of "profit" in the determination of a revenue requirement. That element is the Return on Equity (ROE) portion of a utility's weighted average cost of capital.
  - LEI states at Section 4.2.2.2 on page 61 "Kansas' average, historical ROE between 2010 and 2019 is slightly below average compared to surrounding states. As shown in Figure 32 below, the *average ROE for Kansas is approximately 3.3% lower than the regional average*. Kansas has the second lowest ROE amount the regional states, next only to South Dakota.
  - LEI's description of Kansas' ROE as "slightly below average" is misleading because a percentage comparison understates the significant impact 10 basis points (bp) of ROE can have on a revenue requirement. Kansas is 35 bp below the regional average (9.8% - 9.45% = 35bp) according to LEI's Figure 32 on page 62.
  - Moreover, LEI does not address the relative ranking of Kansas' ROE compared to national rankings. Specifically, a review of SNL Global Financial's data base of ROE determinations will confirm that the ROE's granted to IOUs in Kansas over the last several years are amongst the lowest ROEs granted to any IOU in the country in the last 30 years. *If Kansas' average was at the 9.8% average calculated by LEI, then Westar's rates would be $18.9 million higher and KCP&L's would be $7.26 million higher (based on their recent rates cases and their authorized 9.3% ROE).*

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Item No. 2:

LEI states that "while the KCC's primary objective standards and vetting process for ensuring the prudence of utility investments are sound, they are limited in terms of protecting ratepayers from paying for investments that are **underutilized**. For instance, declining capacity factors of current operating rate-based Kansas coal plants (two of which have capacity factors significantly below the regional average) suggest a need to periodically review their usefulness." [Emphasis theirs].

LEI's Three Key Areas for Improvement (p.11)

Item No. 2 (Cont'd):

At Section 4.2.8.3 on pages 93 to 95, LEI discusses recovery from retail electric ratepayers of the full or partial cost of any investments no longer fully used or required to be used in service to the public in Kansas. Specifically LEI notes "Nevertheless, it appears ratepayers in Kansas are paying for investments that are less utilized, as evidenced by declining capacity factors of some coal and natural gas plants in the State. The overall average capacity factors of coal and natural gas plants in Kansas are also below the regional average. *This may, however, be appropriate if less costly power is available from other sources.*" [Emphasis added].

These statements are oversimplified and can be misleading because:

- The discussion as presented can easily be misinterpreted to mean the coal plants are no longer used and required to be used, which is not accurate.
- There is no mention by LEI of system reliability and ancillary services. System reliability and ancillary services are appropriate reasons to continue to use generation assets with lower capacity factors.
- Using LEI's simple analysis that low capacity factors are indicative of underutilized generation assets necessarily means wind generation assets are underutilized since their capacity factors range from 45% to 50%.
- LEI's study should provide an explanation that there is a distinct difference between plants that are "less utilized" for appropriate reasons and plants that are no longer used and required to be used.

LEI's Three Key Areas for Improvement (p.11)

Item No. 3:

LEI states "[F]inally, *there is potential for improvement in the process for review of recovery of surcharges and riders*. The Environmental Cost Recovery Rider ("ECRR") has contributed, on average, to 35.9% of Westar Energy's total bill from 2009 to 2018. The Energy Cost Adjustment ("ECA") has contributed on average to 15.2% and 33.6% of KCP&L's (2009-2018) total bills, respectively. In recent years the Transmission Delivery Charge ("TDC") has also been a key driver of increasing retail electric rates in Kansas, contributing to higher costs to consumers. While the current ratemaking process involves a review of the TDC to ensure consistency with Southwest Power Pools ("SPP") revenue requirements and rates, this review has a limited impact on the TDC values and authorized returns on the transmission-related revenue requirements for IOUs in Kansas. The base rate still comprises more than 50% of the total bills for all the IOUs. [Emphasis added].

LEI's Three Key Areas for Improvement (p.11)

Item No. 3 (Cont'd):

- Staff could not find any criticisms or suggested areas of improvement regarding the "process for review" of riders and surcharges as discussed in detail in Section 4.2.5.
- In Section 1.6 at page 23 there is a reference to the "review process for the recovery of riders and surcharges," but the suggested solution is for an IRP which "would also have the potential to reduce the need for additional riders in the future," as opposed to any review process modifications. Staff notes that there we do perform audit and review each rider on an annual basis and this fact is acknowledged by LEI throughout Section 4.2.5..
- The only specific finding Staff could find in the report pertaining to riders and surcharges was the statement that the TDC review process does little to impact the TDC value or authorized returns on investment. LEI acknowledges, and Staff would note, that this is due to the statute governing the TDC allows the use of FERC authorized ROEs, which are higher than KCC authorized ROEs.
- Lastly, Section 4.2.5 at page 67 LEI finds that the costs that flow through Riders and Surcharges in Kansas are "generally outside of the control of the utilities."

Options Available to KCC and the Kansas Legislature

Item 6.1, Management of Capital and Operating Expenses

To enhance management of capital and operating expenses, LEI recommends a State Energy Plan and an Integrated Resource Plan (IRP).

- State Energy Plan
  - A State Energy Plan is one of the four near-term recommendations by LEI. [*See* p. 257].
  - Staff is supportive of a State Energy Plan. Staff would note that state energy plans can be challenging and time consuming to develop due to the number of stakeholders involved. This can make it difficult to keep the energy plan current in what is now a rapidly changing and dynamic utility environment. This is possibly illustrated in Figure 103, which is a summary of regional states' energy plans. The year published ranges from 2008 to 2016, with the majority being published prior to 2015.

Options Available to KCC and the Kansas Legislature

Item 6.1, Management of Capital and Operating Expenses (Cont'd)

- Integrated Resource Plan
  - An Integrated Resource Plan is one of the four near-term recommendations by LEI. [*See* p. 257].
  - Staff agrees an IRP should be implemented for Evergy and we expect an order this week on the IRP framework jointly recommended by Westar, KCP&L, Staff, and CURB in Docket No. 19-KCPE-096-CPL. Empire District is statutorily required to submit an IRP in Missouri and Staff has access to these IRPs.
  - LEI does not address the pending IRP for Evergy in its analysis.

Options Available to KCC and the Kansas Legislature

Item 6.1, Management of Capital and Operating Expenses (Cont'd)

- Integrated Resource Plan (Cont'd)
  - LEI states in Section 6.1.2 at page 135 "In addition, a statewide IRP process "obviates the need for the Commission to conduct after-the-fact reasonableness reviews for the resulting utility procurement transactions that are in compliance with the upfront standards established in the approved procurement plans." [Citing Missouri Public Service Commission "IRP Rules in Missouri, Past & Present, May 20, 2005]. This is similar to the pre-approval process that the KCC has undertaken in previous rate cases. Standardizing this pre-approval process through an IRP process can help reduce regulatory burden in future rate cases, especially when common assumptions and methodologies are used in the analysis process."
    - LEI's statements are misleading in that IRPs are not authorized by a Commission. Rather they are accepted or denied. If denied, the utility is generally requested to provide an updated IRP addressing issues that a Commission wants evaluated.

Options Available to KCC and the Kansas Legislature

Item 6.1, Management of Capital and Operating Expenses (Cont'd)

- Integrated Resource Plan (Cont'd)
  - Because IRPs are not approved by a Commission, there is a distinct difference between a reasonableness review and a pre-approval process. Staff could not find the quote cited by LEI, but we assume a reasonableness review is based on the need for a resource that falls within the overall construct of the types of resources contained in the IRP. In Kansas, K.S.A. 66-1239 defines the predetermination or "pre-approval" process, which is more stringent than a reasonableness test since it determines ratemaking principles that will apply to recovery and treatment of a generation or transmission facility.
  - The IRP framework as filed for Evergy specifically notes "The Commission shall issue an order, which contains findings that Evergy's filing and resource acquisition strategy either does or does not demonstrate compliance with the requirements of this framework."
  - LEI recommends using an IRP as part of a rate case by using the forecasts contained in an IRP. The KCC relies on historical test years and we rarely use forecasts.

Options Available to KCC and the Kansas Legislature

Item 6.1, Management of Capital and Operating Expenses (Cont'd)

- LEI states in Section 6.1.3 at page 137 that "For example, *some electricity consumers have commented that financial losses from generation units indicate that utilities do not offer these resources economically in the SPP markets*. Since generation and energy costs are passed through to consumers via the Energy Cost Adjustment clause, *there are no incentives for utilities to ensure their resources are dispatched when it is economical to do so. It would be out of the scope of this paper to determine whether utilities that own generating assets have systemically dispatched their units uneconomically, however, this is one area where regulators could perform oversight.* For instance, utilities could be required to report how the resources are offered in the SPP markets, and their process and past operations could be audited by an external entity. If generation assets are found to have purposefully been dispatched uneconomically (for instance following self-commitment in the markets), the losses incurred could be disallowed in rate case proceedings." [Emphasis added].

Options Available to KCC and the Kansas Legislature

Item 6.1, Management of Capital and Operating Expenses (Cont'd)

- Staff notes that we do perform oversight in this area. Westar, KCP&L, and Empire file confidential monthly reports that demonstrate each utility's market performance in the SPP Integrated Market. Moreover, Staff conducts an annual audit of each utility's fuel clause through an Annual Cost Adjustment (ACA) docket. [See Docket No. 18-WSEE-404-ACA, Notice of Filing of Staff's Report and Recommendation]. Staff specifically states in its ACA audit reports "Revenues and expenses from the IM are recorded in FERC accounts allowed to be recovered under Westar's ECA tariff; therefore, Staff expanded the scope of the ACA audit in 2014 to include a review of Westar's participation in the SPP IM. Staff continues to monitor and review Westar's monthly market activity and performs a yearly review of controls, procedures, and performance as part of the annual ACA audit."

Options Available to KCC and the Kansas Legislature

Item 6.2, Performance Based Regulation

Performance Based Regulation (PBR) is one of the four near-term recommendations by LEI. [*See* p. 257].

- LEI states at Section 1.5.2 at page 16 that "…there is no "one size fits all" PBR formula. Stakeholders must work together and recognize their needs and develop their own path to PBR. A regulatory framework from one jurisdiction or utility may not work for another jurisdiction or utility because of numerous factors such as inherent economic and market differences, business practices, policy-driven obligations, and regulatory or institutional requirements. Therefore, *a PBR design needs to be customized to the specific environment and circumstances of the regulated utilities. The regulator needs to take each utility's unique characteristics, type of customers served, and underlying economic environment into account, together with state energy policies.*" [Emphasis added].

- LEI also states at page 257 "The Kansas legislature should consider allowing the KCC to explore the development of PBR mechanisms which, over time, could evolve into a more comprehensive PBR framework. Initial implementation, however, needs not be complicated but should, at a minimum, set targets to incentivize utility efficiency and align utility incentives with customer benefits and state policy objectives."

Options Available to KCC and the Kansas Legislature

Item 6.2, Performance Based Regulation (Cont'd)

- Staff was asked during our meeting with LEI about existing PBR mechanisms. We failed to equate Evergy's current Earnings Review and Sharing Plan (ESRP) and Service Quality and Reliability Performance Standards to a PBR. From Staff's perspective, these mechanisms for Westar and KCPL can be considered a form of Light to Medium PBR. Evergy's ERSP and Service Quality and Reliability Performance Standards are defined in Docket No. 18-KCPE-095-MER, Non-Unanimous Settlement Agreement, March 7, 2018.

Options Available to KCC and the Kansas Legislature

Item 6.2, Performance Based Regulation (Cont'd)

- Because Evergy is currently under a PBR mechanism, Staff believes we have time to research the PBR mechanisms referenced by LEI to determine whether the mechanisms have worked as intended and why most of them have sunset (*See* Figure 113). Staff will also review other research on PBR mechanisms to determine the viability of using such in Kansas.

Options Available to KCC and the Kansas Legislature

Item No. 6.3, Economic Development Initiatives

- LEI notes at Section 6.3 at page 167 “Economic development initiatives include programs that provide economic incentives to large industrial or commercial customers to maintain their businesses or facilities or to locate them within the utility’s service territory. *Providing economic development rates or riders (“EDRs”) is one of these economic development initiatives*. EDRs provide a discount from the utility’s standard tariff rates or terms. *Some utilities in Kansas, such as Empire District and Evergy, are already providing this rate schedule*;…”

Options Available to KCC and the Kansas Legislature

Item No. 6.3, Economic Development Initiatives (Cont'd)

- LEI also states in Section 6.3 at page 167 that "Nevertheless, there is still a call from stakeholders to expand this program. Indeed, in support of economic development initiatives, the Kansas Industrial Consumers Group ("KIC") stated that "Kansas is ideally positioned for industrial activity with transportation infrastructure (road/rail), central location, and a low-cost wind energy resource." However, *EDRs need to be carefully designed to avoid cross-subsidies within and between customer classes.*" [Emphasis added].
  - Staff agrees with LEI's assessment and would note that Section 6.3.3 at pages 172 and 173 provides many of the criteria that the Commission requires in evaluating economic development tariffs as well as special contracts.

Options Available to KCC and the Kansas Legislature

Item No. 6.4, Retail Competition

- LEI notes in Section 6.4 at page 176 that "The Kansas electricity sector does not fit neatly into any of these three models, and in fact, draws on a combination of elements from each of them. In this sense, Kansas' market is comprised of vertically integrated utilities (similar to the vertically integrated monopoly model), as well as a number of IPPs (similar to the single buyer model), all of whom are members of the Southwest Power Pool, which acts as the ISO for the region (similar to the fully unbundled model)."
  - Staff agrees with LEI's position and would note that we believe the majority of the benefits that might be achieved through retail competition are achieved by Kansas's participation in the economical dispatch of generation on a region-wide managed through SPP's Integrated Market.

Options Available to KCC and the Kansas Legislature

Item No. 6.4, Retail Competition (Cont'd)

- LEI summarizes stakeholder feedback on retail competition in Kansas by noting in Section 6.4.4 at page 195 "*Generally, most stakeholders in Kansas seem averse to the notion of retail competition*. Of the options to be assessed as part of this Study under Sub. for SB 69, retail choice is seen as the least viable option by some. Others are cautious, pointing to the lack of consensus in research showing that retail competition benefits residential customers. *As a whole, the overwhelming perception among stakeholders is that implementing retail competition is a time consuming, complex process, and that it may not be as good of a fit in Kansas as it has been in other states that have implemented it*."
  - Staff agrees with the stakeholder feedback summarized by LEI.

Options Available to KCC and the Kansas Legislature

Item No. 6.5, Investments in Energy Efficiency and Renewable Energy

Renewable Energy:

- LEI states at Section 6.5.1 at page 198 that "In general, renewables have developed independently of any policy framework in the State of Kansas. This is evidenced by the fact that the state had met its RPS target ahead of schedule before it became voluntary, and the capacity continues to grow, driven by market factors. The majority of projects currently in the interconnection queue in the SPP for Kansas are renewable; of the total 102 projects, 86 are for renewables, with 35 solar projects and 49 wind projects. Not all will be built, however."

- LEI also states in Section 6.5.4.1at page 208 that "A combination of falling renewables prices and favorable renewables resource suggests that no additional state-mandated incentives are needed to drive increased penetration of renewables. Despite the gradual sunset of federal incentive programs such as the production tax credit ("PTC"), it is expected that the drivers for renewable energy will sustain their continued build-out.

- Staff agrees with LEI's assessment.

Options Available to KCC and the Kansas Legislature

Item No. 6.5, Investments in Energy Efficiency and Renewable Energy

Energy Efficiency:

- LEI states in Section 1.5.5 at page 19 that "There may be opportunities with respect to energy efficiency. Currently, the KEEIA has not resulted in any additional energy efficiency programs being implemented. *Energy efficiency measures have the potential to reduce costs so that strategic, targeted, and cost-effective energy efficiency programs could help Kansas customers reduce their energy bills; however, not all programs are cost-effective. As such, energy efficiency could be studied as an alternative to new generation resources in utility IRPs."* [Emphasis added].

Options Available to KCC and the Kansas Legislature

Item No. 6.5, Investments in Energy Efficiency and Renewable Energy

Energy Efficiency (Cont'd):

- LEI also states at page 211 in its key takeaways that "More opportunities exist in energy efficiency, and strategic, targeted and cost-effective energy efficiency programs could help Kansas customers reduce their energy bills. Efforts to study energy efficiency potential in the state coupled with a move to revise the current energy efficiency review approaches, and encouraging utilities to submit more proposals, may realize additional benefits in the future. *However, incorporation into IRP processes would be the best approach*. [Emphasis added].
  - Staff generally agrees with LEI's key takeaway regarding energy efficiency. However, Staff would add:
    - Phase two of the SB 69 rate study will address energy efficiency in more detail.
    - A State Energy Plan should address energy efficiency and further define policy goals.
    - Time should be given for Evergy to incorporate energy efficiency into its Kansas IRP.
    - Policy makers should bear in mind energy efficiency increases rates in the near-term, which is contrary to the current concerns regarding regionally competitive rates.

Options Available to KCC and the Kansas Legislature

Item No. 6.6, Securitized Ratepayer-Backed Bonds

- Retirement and securitization of uneconomic assets is one of the four near-term recommendations by LEI. [*See* p. 257].

- LEI discusses Kansas Senate Bill 198 (SB 198) in Section 6.6.3 and raises concerns with some the requirement of SB 198. Staff concurs with LEI's concerns.

- LEI notes the key takeaways for securitized bonds at page 225. Specifically, LEI states that "*It is also important to separate the analysis of asset retirement versus securitization*. As a first step before securitization is considered, a comprehensive and holistic analysis of the potential retirement of generation assets should be undertaken, including savings in fixed O&M and fuel costs, weighted against the cost of replacement services (energy, capacity, etc.). The macroeconomic impacts of these retirements should also be considered. *If the decision to retire the asset is made, then securitization could be considered as an option to lower rates, but all the tradeoffs of such a decision should be considered*. [Emphasis added].
  - It is Staff's position that having the ability to use securitized bonds for certain plant retirements may lower rates. That being said, Staff would also like the opportunity to determine best practices and evaluate the various legislative structures used to authorize utility securitized bonds. Staff believes this is an important step given the concerns raised by LEI regarding SB 198.

Options Available to KCC and the Kansas Legislature

Item No. 6.7, Participation in SPP

- LEI notes in Section 6.7.3 at page 230 that "Stakeholders have also expressed to LEI that there are limited opportunities for participation in SPP due to limits in resources and lack of avenues for participation. The munis noted they only participate in the key committees, and are unable to participate in, for instance, transmission planning committees due to insufficient resources. A number of large customers, through KIC, indicated that there is no mechanism for customers to meaningfully participate other than at FERC. In particular, they stated concern with a lack of avenues to "stop or slow" increased transmission investment."

- LEI also notes in Section 6.7.7 at page 234 that "Kansas stakeholders seeking to advocate certain positions within SPP might also consider a stronger state support framework for more extensive participation in working groups, or in the prioritization process. However, it is important to note that the creation of a role for additional stakeholders such as end-use customers or a participant support program comes with added costs and risks creation of greater regulatory uncertainty and delays. Further, advocating for greater customer empowerment may have an adverse impact on strengthening the voice of stakeholders with positions adverse to Kansas customers."

Options Available to KCC and the Kansas Legislature

Item No. 6.7, Participation in SPP (Cont'd)

- LEI notes in its key takeaways at page 236 that "Recent trends in SPP, such as declining wholesale costs and increasing consideration of transmission cost allocation issues, suggest that the drivers of retail costs attributable to participation in SPP are already being addressed, and may occur without increased spending on advocacy at SPP."

- LEI recommended action is contained in Figure 149 and consists of the KCC and Utilities participating in SPP to "Advocate for additional roles for end consumers and customers."
  - The issue of expanding end-use customer roles has been discussed at SPP. Any additional roles would most likely require a change in SPP's Bylaws, which is difficult to achieve.

Options Available to KCC and the Kansas Legislature

Item No. 6.8, Review of Tax Rates Paid by Utilities in Kansas and Neighboring States

- LEI states at page 257 that "In general, regulated utilities are required to pass on the tax savings to customers so that a tax cut could lower utilities' expenses albeit very modestly. Lower expenses would lead to lower electricity rates, ultimately improving customer welfare. However, the significance of the effect on rate change will depend on each utility's economic situation and decision. Utilities may use some of these savings to hedge future rate increases, accelerate power plant retirements, facilitate planned system improvements, and conduct required maintenance."
  - Staff generally agrees with LEI's assessment and would refer the Committee to Justin Grady's testimony on SB 126, which was submitted to the Senate Utilities Committee on January 28, 2020.

Miscellaneous Errors and Clarifications

- At pg. 42, LEI states “The KCC is the primary regulatory body for the electric industry in Kansas and has a mandate from Kansas statutes to perform its responsibilities. KCC’s Utilities Division establishes and regulates rates for public utilities, which includes electricity, natural gas, liquid pipelines, and telecommunications.” Technically Staff recommends changes to the Commission, which rules on the issues through an order.

- At pg. 56, LEI states “When beginning to analyze a given utility’s revenue requirement, *the KCC staff selects a historical test year (12-month period)* to use as a baseline for examining the given utility’s actual revenues and expenses.” Technically the utility selects the test year, but Staff can recommend denial of a test year for cause. It is rare that Staff would recommend a denial of a test year.

Miscellaneous Errors and Clarifications

- At pg. 68, LEI states “From 2009 to 2019, the utilities had an average ECA Rider of approximately 1.79 cents/kWh (KCP&L), 2.04 cents/kWh (Westar Energy), and 2.95 cents/kWh (Empire District), with an overall average of 2.26 cents/kWh.” Staff believes a weighted-average based on the number of customers or total load is needed. The simple average overstates the impact of Empire.
- Figure 72 includes Tecumseh Energy Center, which has been closed.
- LEI’s “Key Takeaways” table on page 174 is truncated.

Miscellaneous Errors and Clarifications

- LEI references rate cases on page 15 of the report and recommends "full, non-settled rate case at least once per decade allowing for a discovery process and the setting of precedent on rate setting mechanisms." While Staff is not adverse to the suggestion, per se, it should be acknowledged that settlements in rate cases in Kansas only occur after all parties have had an opportunity to perform full discovery, file direct testimony, etc. Non-settling parties still have a right to an evidentiary hearing, and the Commission frequently decides major non-settled issues, even in partially litigated rate cases. This tends to blur the distinction between a "litigated" and "settled" rate cases in Kansas. This nuance is not accounted for in the two categories chosen of "Fully Litigated" and "Settled" on page 55 of the Study.

Miscellaneous Errors and Clarifications

- Figure 6 includes Wyoming in the map, but Wyoming was not included in the Rate Study.
- The metric on page 55 that discusses the timeline to complete a rate case in Kansas might be in error based on the statutory timeframe of 240 days. Other possible explanations might be non-rate case tariff filings being included in the calculations or the actual effective date of rates being less than 240 days (abbreviated rate case proceedings, settlements in which the order was issued sooner than 240 days).
- Figure 27 is labeled as 2009 to present when in actuality the data is from 2012 to present. Also, in Figures 27 and 29, Rate Base per customer is too high given the error in the number of Westar customers (381,420). Based on Year End, 2017 FERC Form 1 data, Westar had 706,401 customers (not counting wholesale customers). Revising the calculation to account for this equates to a Rate Base per customer for Westar of $7,564.

Miscellaneous Errors and Clarifications

- On page 69, the ECRR average $/kWh for Westar is too high. This carries over into the Figure 40 on page 70 and Figure 44 on page 74. This error also carries over into much of the narrative regarding overall rate impacts from riders, customer bill impacts, etc.
- Figure 58 and 65 must contain an error with Empire Rates. Empire's Residential Rates were not below $.06/kWh during this time.

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