

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the 2022 Triennial Compliance)
Filing Pursuant to 20 CSR 4240-22 by The)
Empire District Electric Company d/b/a Liberty) Case No. _____

APPLICATION FOR VARIANCES

COMES NOW The Empire District Electric Company d/b/a Liberty (“Liberty-Empire” or “Company”), and, pursuant to 20 CSR 4240-22.080(13), submits this Application for Variances regarding 20 CSR 4240-22.030 and 20 CSR 4240-20.094. In support of its Application for Variances, Liberty-Empire respectfully states as follows to the Missouri Public Service Commission (the “Commission”):

1. Liberty-Empire is a corporation duly organized and existing under the laws of the state of Kansas and is duly qualified and engaged in doing business in the states of Missouri, Kansas, Arkansas and Oklahoma. Empire is an “electric corporation” and a “public utility” as those terms are defined in RSMo. 386.020 and is subject to the jurisdiction and supervision of the Commission as provided by law.

2. A certified copy of Liberty-Empire’s Restated Articles of Incorporation, as amended and as filed in Case No. EF-94-39, is incorporated herein by reference in accordance with Commission Rule 20 CSR 4240-2.060(1)(G). A certificate from the Missouri Secretary of State that Liberty-Empire, a foreign corporation, is authorized to do business in Missouri was filed with the Commission in Case No. EM-2000-369 and is incorporated by reference in accordance with Commission Rule 20 CSR 4240-2.060(1)(G). This information is current and correct.

3. Liberty-Empire has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates. Liberty-Empire’s annual report and assessment fees are not overdue.

4. Pursuant to Commission Rule 20 CSR 4240-22.080(1)(B), Liberty-Empire’s next triennial IRP filing is due April 1, 2022.

5. Liberty-Empire is seeking variances, to the extent required, from portions of Commission Rules 20 CSR 4240-22.030 and 20 CSR 4240-20.094 with regard to Liberty-Empire's 2022 IRP triennial compliance filing. Appendix A (Demand-Side Resource Analysis) and Appendix B (Load Analysis and Load Forecasting) attached to this Application identify the specific portions of the rules for which Liberty-Empire is requesting variances and the justification for the granting of those requests.

6. The variances being requested herein have previously been requested by Liberty-Empire and granted by this Commission in other IRP dockets. It should be noted, however, that the Company met with representatives of the Office of the Public Counsel regarding prior variance requests and agreements pertaining to forecasting. Based on this meeting, Liberty-Empire is refraining from again requesting a variance from forecasting at the class cost of service level. The Company commits to using cost of service classes in its next (2022) triennial filing analyses. (Additional information can be found in Appendix B.)

7. According to Commission Rule 20 CSR 4240-22.010, Policy Objectives, the fundamental objectives of the resource planning process for electric utilities are to provide the public with energy services that are safe, reliable, and efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies. The variances requested by Liberty-Empire will not compromise these objectives. In fact, the granting of the requested variances will save considerable time and expense in a very time consuming and detailed integrated resource planning endeavor. Approval of this Application would therefore be in the public interest.

WHEREFORE, Liberty-Empire respectfully requests, with regard to its 2022 IRP triennial filing, that the Commission issue an Order granting Liberty-Empire variances from the provisions of Commission Rules 20 CSR 4240-22.030 and 20 CSR 4240-20.094 related to the Demand-Side Resource Analysis and Load Analysis and Forecasting of Electric Utility Resource Planning that are described in the attached Appendix A and Appendix B.

Respectfully submitted,

/s/ Diana C. Carter

Diana C. Carter MBE#50527

428 E. Capitol Avenue, Suite 303

Jefferson City, Missouri 65101

Joplin Office Phone: (417) 626-5976

Cell Phone: (573) 289-1961

E-mail: Diana.Carter@libertyutilities.com

CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 1st day of April, 2021, with notification of the same being sent to all parties of record.

s/ Diana C. Carter

Demand-Side Resource Analysis 2022 IRP Variance Requests

20 CSR 4240-20.094 (3)(A), subparts 2 and 3: The market potential study shall . . .

2. Be updated with primary data and analysis no less frequently than every three (3) years. To the extent that primary data for each utility service territory is unavailable or insufficient, the market potential study may also rely on or be supplemented by data from secondary sources and relevant data from other geographic regions;
3. Be prepared by an independent third party. The utility shall provide oversight and guidance to the independent market potential contractor, but shall not influence the independent market potential study contractor's reports;

Liberty-Empire requests relief from the obligation to collect primary data in support of the 2022 market potential study. This is the same variance request which was granted in the 2019 IRP. Prior study data is still relevant and can be supplemented with information from secondary sources to account for changes in particular technologies. Additionally, new primary data collection is costly, and time consuming. The Company and its independent contractor will supplement the market potential study with secondary data sources as needed, based upon data availability and the time and cost constraints identified. Further, the Company and its independent contractor will examine the wealth of regional and national data collected and adjust the data as needed following industry practice.

Load Analysis and Load Forecasting 2022 IRP Variance Requests

I. Load Forecasting Class Definition Disclosure and Clarifications

Various sections of the IRP Rule state that the IRP load forecast should be performed by “major class”, with “major class” defined as a cost-of-service class for the utility. For the 2022 IRP filing the Company is changing its IRP load forecasting methodology to adopt the cost-of-service class approach as stated within the IRP Rule. Therefore, the Company is not seeking a variance in this area. However, due to the changing methodology and in an abundance of caution the Company would like to define and clarify its approach for stakeholders in regard to class definition.

In Empire-Liberty’s 2013, 2016, and 2019 IRP filings, Empire-Liberty submitted variance requests to develop its forecast by the following revenue classes instead of cost-of-service classes.

- Residential
- Commercial
- Interdepartmental
- Street and Highway
- Public Authority
- Other Industrial
- Oil Pipelines
- Praxair
- Municipals

In the 2013, 2016, and 2019 IRPs, these variances requests were granted. However, on November 15, 2018 the Commission issued an Order Granting Variances stating that Liberty-Empire and the Missouri Office of the Public Counsel (“OPC”) agreed that Liberty-Empire would not seek the same forecast class variance request in its 2022 triennial filing unless OPC agreed that a variance is appropriate.

On March 31, 2021, Liberty-Empire met with OPC for a technical discussion. In this meeting, OPC clarified that seeking the same forecast class variance was not appropriate. Instead, it was agreed that Liberty-Empire should define “Major Classes” according to 20 CSR 4240-22.020 (37) as the following.

- Residential (RG rates)
- Small Commercial (CB and SH rates)
- Large Commercial (GP and TEB rates)
- Large Power (LP rate)
- Feed Mills (PFM rate)
- Transmission (PT rate)
- Lighting (LS and PL rates)

- Praxair
- Municipals

Liberty-Empire will forecast its 2022 IRP filing according to the direction that resulted from this technical meeting. While Liberty-Empire is not seeking a load forecasting variance regarding classes, changing classes has implications for forecasting and reporting results. These implications are listed below.

- 20 CSR 4240-22.030 (2) requires Liberty-Empire to “develop and maintain data” for each major class. In the 2022 triennial filing, Liberty-Empire will be developing new databases for the new list of major classes.
- 20 CSR 4240-22.030 (6) (A) (1) (B) requires Liberty-Empire describe and document its selection of independent modelling variables that are different from historically used variables. Because the forecast classes are redefined, Liberty-Empire will not have comparative models from which to base a historical comparison rendering historical comparisons unavailable.
- 20 CSR 4240-22.030 (6) (C) (3) and 20 CSR 4240-22.030 (6) (C) (4) requires Liberty-Empire to compare the IRP forecast components to prior IRP forecasts components. Because the forecast classes are redefined, the only relevant comparisons that will be made for the system-level forecasts (e.g., system energy and peaks).

While Liberty-Empire does not believe that variances are required to address the reporting requirements identified in these rules, Liberty-Empire is disclosing the reporting challenges associated with the change in forecast classes.

II. End-Use Information for the Industrial Class Variance Request

Commission Rule 20 CSR 4240-22.030 (4)(A)(1) requires that analysis for each major class include information by end-use to the extent possible. While Empire plans to use the Statistically Adjusted End-Use (SAE) method for the Residential, Small Commercial and Large Commercial classes, no end-use information is available for the Large Power (i.e., industrial) class. The SAE method is applicable to the Residential and Commercial classes because end-use data developed by the Energy Information Administration (EIA) and Itron exist for these classes. EIA and Itron do not maintain end-use information for the Industrial class. Likewise, Empire does not maintain end-use data for the Industrial class.