

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

In the Matter of The Empire District Electric)	
Company's Filings to Implement Rate)	Case Nos. ER-2019-0374 and
Adjustments Related to the Company's Fuel and)	ER-2021-0097
Purchased Power Adjustment ("FAC"))	

**MOTION FOR VARIANCE AND
NOTICE OF NEW FAC CHARGE TYPES**

COMES NOW The Empire District Electric Company, a Liberty Utilities company ("Liberty-Empire"), and for its Motion for Variance and Notice of New FAC Charge Types, respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. In accordance with Commission Rule 20 CSR 4240-20.090(8)-(9), on October 1, 2020, Liberty-Empire initiated Case Nos. ER-2021-0097 and EO-2021-0098 and provided a revised FAC tariff sheet and supporting direct testimony.

2. Pursuant to Rule 20 CSR 4240-20.090(8)(D)1A, "(i)f an RTO implements a new market settlement type or schedule covering a cost or revenue that the electric utility or another party believes possesses the characteristics of, and is of the nature of, an RTO revenue or cost approved by the commission for inclusion in the electric utility's FAC in the previous general rate proceeding, the costs or revenues covered by the new market settlement type or schedule will be included in the utility's FAC if" certain requirements are met. The requirements are as follows:

A. The party proposing the inclusion of costs or revenues covered by a new market settlement type or schedule shall make a filing before the commission in the case in which the electric utility's then-current FAC was approved giving notice of the new market settlement type or schedule no later than sixty (60) days prior to the due date for the electric utility's next FAR filing made to adjust the electric utility's FAR;

B. The filing shall include, but is not be limited to: (I) Identification of the account affected by the change; (II) A description of the new market settlement

type or schedule demonstrating that the cost or revenue it covers possesses the characteristics of, and is of the nature of, a cost or revenue allowed in the electric utility's FAC by the commission in the most recent general rate proceeding; and (III) Identification of the preexisting schedule, or market settlement type which the new settlement type or schedule replaces or supplements . . .

3. As explained in Liberty-Empire's direct testimony filed in Case No. ER-2021-0097 on October 1, 2020, in August of 2020, the Southwest Power Pool ("SPP") went live with Combined Interest Resource ("CIR") modeling which allows Jointly Owned Units ("JOUs") to model units as a single resource with combined interests, rather than as individual units.

4. Leading up to this point, SPP submitted to the Federal Energy Regulatory Commission ("FERC") what is now the CIR modeling as a solution to the JOU market flaws. FERC approved the language for CIR modeling in July of 2019, but SPP members had to wait until SPP's Settlement System Replacement Project ("SSRP") was complete (February 2020) before adding the new CIR functionality to the settlement system, which occurred on August 1, 2020.

5. Although the FERC-approved changes appear to have created two new charge types that will be reported on the SPP Settlement Statements (Day-Ahead Combined Interest Resource Adjustment Amount and Real-Time Combined Interest Resource Adjustment Amount), these seemingly new charge types are really just a consolidation of the charge types that Liberty-Empire had been receiving for units which are designated as JOUs and have selected the CIR modeling option and represent the interest percent share for each Asset Owner's registered individual share: Day-Ahead Asset Energy, Day-Ahead Regulation Up, Day-Ahead Regulation Down, Day-Ahead Spinning Reserve, Day-Ahead Supplemental Reserve, Day-Ahead Regulation Up Distribution Amount, Day-Ahead Regulation Down Distribution Amount, Day-Ahead Spinning Reserve Distribution Amount, Day-Ahead Supplemental Reserve Distribution

Amount, Day-Ahead Make Whole Payment, Day-Ahead Make Whole Payment Distribution Amount, Day-Ahead Demand Reduction, Day-Ahead Grandfathered Agreement Carve Out Daily Distribution Amount, Day-Ahead Grandfathered Agreement Carve Out Monthly Distribution Amount, Day-Ahead Grandfathered Agreement Carve Out Yearly Distribution Amount, Real-Time Energy, Real-Time Regulation Up, Real-Time Regulation Down, Real-Time Spinning Reserve, Real-Time Supplemental Reserve, Real-Time Regulation Up Distribution Amount, Real-Time Regulation Down Distribution Amount, Real-Time Spinning Reserve Distribution Amount, Real-Time Supplemental Reserve Distribution Amount, Real-Time Make Whole Payment Amount, Real-Time Make Whole Payment Distribution Amount, Out Of Merit Energy, Real-Time Regulation Non-Performance, Real-Time Contingency Deployment Failure, Real-Time Regulation Deployment Adjustment Amount, Unused Regulation-Up Mileage Make Whole Payment Amount, Unused Regulation-Down Mileage Make Whole Payment Amount, Real-Time Regulation Non-Performance Distribution Amount, Real-Time Contingency Deployment Failure Distribution Amount, Real-Time Over Collected Losses Distribution Amount, Real-Time Reserve Sharing Group Distribution Amount, and Real-Time Demand Response Distribution Amount.

6. Liberty-Empire does not believe notice is required pursuant to Rule 20 CSR 4240-20.090(8)(D)1A, as there are no truly new charge types for new market products or services – just the consolidation of previously-approved charge types. To the extent notice is required, Liberty-Empire seeks a variance from the requirement that notice be provided at least 60 days “prior to the due date for the electric utility’s next FAR filing.”

7. The consolidation of the 37 charge types into the 2 charge types was not effective until August 1, 2020, only 61 days prior to October 1, 2020 – the due date of Liberty-Empire’s

next FAR filing. As such, it would have been impractical for the Company to provide at least sixty days' advanced notice.

8. This Motion for Variance and Notice of New FAC Charge Types is being filed in the new FAC docket initiated October 1, 2020, Case No. ER-2021-0097, and also is being submitted in Liberty-Empire's most recent general rate proceeding, Case No. ER-2019-0374, pursuant to Rule 20 CSR 4240-20.090(8)(D)1A.

WHEREFORE, to the extent required, Liberty-Empire requests a variance from the 60-day advanced notice requirement of Rule 20 CSR 4240-20.090(8)(D)1A, and, to the extent required, submits this Notice of New FAC Charge Types. Liberty-Empire requests such other and further relief as is just and proper under the circumstances.

Respectfully submitted,

/s/ Diana C. Carter

Diana C. Carter MBE #50527

428 E. Capitol Ave., 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 October, 2020, with notice of the same sent to all counsel of record.

/s/ Diana C. Carter