

Exhibit No.: _____
Issue: Fuel Adjustment – True-Up
Witness: Brooke M. Prier
Type of Exhibit: Direct Testimony
Sponsoring Party: The Empire District
Electric Company
File No. EO-2023-
Date Testimony Prepared: September 30,
2022

**Before the Public Service Commission
of the State of Missouri**

FAC True-Up Direct Testimony

of

Brooke M. Prier

on behalf of

The Empire District Electric Company

September 30, 2022



FAC TRUE-UP DIRECT TESTIMONY OF BROOKE M. PRIER
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION
FILE NO. EO-2023-

1 **Q. Please state your name and business address.**

2 A. My name is Brooke M. Prier, and my business address is 602 South Joplin Avenue,
3 in Joplin, Missouri.

4 **Q. By whom are you employed and in what capacity?**

5 A. My employer is Liberty Utilities Services Corp., and I serve as an Analyst II in the
6 Rates and Regulatory Affairs Department for Liberty's Central Region, which
7 includes The Empire District Electric Company ("Empire" or "Company").

8 **Q. Please describe your educational and professional background.**

9 A. I graduated from Pittsburg State University, Pittsburg, Kansas, in 2017 with a
10 Bachelor of Science degree with a major in Accounting. In 2020, I graduated with a
11 Master of Business Administration with an emphasis in Accounting. I was hired by
12 LUSC in July 2019 as a Rates Analyst and was promoted to an Analyst II in
13 September 2022. Prior to joining the Company, I worked for two years as an
14 Operations Accountant for NPC International.

15 **Q. Have you previously testified before this or any other state utility commission?**

16 A. No.

17 **Q. What is the purpose of your FAC True-Up Direct Testimony?**

18 A. The purpose of this testimony is to identify and explain the true-up amount included
19 in the Company's Fuel & Purchased Power Adjustment Clause ("FAC") filing.
20 Empire is filing to adjust the Fuel Adjustment Rate ("FAR") in a separate filing, and

1 the true-up amount (with interest) is a component of the FAR. The true-up is the
2 over or under recovered FAC balance from the prior Recovery Period. In other
3 words, the true-up adjustment of the fuel & purchased power adjustment (“FPA”),
4 as defined by tariff, is the difference between the FPA revenues billed and the FPA
5 revenues authorized for collection during the true-up Recovery Period, i.e. the true-
6 up adjustment.

7 **Q. Please briefly explain the FAC true-up process.**

8 A. The Commission’s rule governing fuel and purchased power cost recovery
9 mechanisms for electric utilities, 20 CSR 4240-20.090, requires Empire to make
10 periodic FAC filings designed to enable Commission review of the actual fuel costs,
11 purchased power costs, cost of consumables associated with the power plants’ air
12 quality control system (“AQCS”), net cost of emission allowances, revenue from the
13 sale of renewable energy credits (“REC”), and off-system sales revenues
14 (collectively referred to as total energy costs) the Company has incurred during an
15 Accumulation Period. In addition, these periodic filings are designed to adjust the
16 FAC rates up or down, to reflect the actual energy costs incurred during the
17 Accumulation Period. Empire’s FAC tariff calls for two annual filings: a filing
18 covering the six-month Accumulation Period running from September through
19 February and a second filing covering the Accumulation Period running from March
20 through August. Any increases or decreases in rates approved by the Commission,
21 or that take effect by operation of law, are then collected from or refunded to
22 customers over two six-month Recovery Periods: June through November and
23 December through May. In this instance, Empire is seeking an increase in its FAC

1 rates to reflect 95% of the difference between the base energy costs built into its base
2 Missouri rates and Empire's actual Missouri energy costs for the Accumulation
3 Period plus a true-up of the costs recovered during the Recovery Period ending May
4 31, 2022. This true-up adjustment is a component of the FAC rates which will be
5 reflected on the Missouri customers' bills over the six-month Recovery Period from
6 December 2022 through May 2023.

7 **Q. What was the timing of the accumulation and recovery relating to this true-up?**

8 A. The Accumulation Period for the true-up portion of the FAC rate was from March 1,
9 2021 through August 31, 2021. The Recovery Period for that Accumulation Period
10 was December 1, 2021 through May 31, 2022.

11 **Q. Why is there a difference between what was accumulated (plus over – or under-
12 recovery) and the amount billed during the recovery period?**

13 A. The FAR is calculated based on projected kWh sales for the recovery period. Since
14 the projected sales can vary from actual, because of things such as weather, once the
15 actual sales are recorded, a difference exists between the estimate and the actual kWh
16 billed. This difference is "trued-up" in the subsequent FAC filing.

17 **Q. What was the over – or under recovery for the recovery period at issue in this
18 filing?**

19 A. The FAC was under-collected by \$2,473,664. As indicated above, the true-up
20 amount during the Recovery Period is due to the difference between actual and
21 estimated kWh sales. The true-up amount is the net difference between the FPA
22 revenues billed and the FPA revenues authorized for collection during the true-up
23 recovery period. Schedule BMP-1, which is attached to this testimony, contains

1 details of the calculations that produce the amount to be returned to customers.

2 **Q. How will that amount be reflected in customer rates?**

3 A. As mentioned earlier, the true-up amount plus interest is a component of the FAR.

4 As defined in the FAC tariff, the true-up amount plus interest is added into the FPA.

5 The adjustment to the FAR rate is being filed concurrently in a separate docket.

6 **Q. Does this conclude your FAC True-Up Direct Testimony?**

7 A. Yes.

VERIFICATION OF BROOKE M. PRIER

Brooke M. Prier, under penalty of perjury, declares that the foregoing document is true and correct to the best of her knowledge, information, and belief.

/s/ Brooke M. Prier
Brooke M. Prier

The Empire District Electric Company
A Liberty Utilities Company
 Fuel & Purchased Power Adjustment Clause
 True-Up Amount
 Schedule BMP-1

Period 26

Accumulation Period

	(Over)/Under
Mar-21	471,753.15
Apr-21	(211,952.78)
May-21	1,249,742.53
Jun-21	8,389,415.30
Jul-21	2,016,312.87
Aug-21	4,003,815.66

True Up Period #23	(523,943.15)	
	15,395,143.58	Acct 182362 or 254162

Recovery Period

Dec-21	(608,621.21)
Jan-22	(2,613,475.54)
Feb-22	(2,815,772.69)
Mar-22	(2,567,397.70)
Apr-22	(2,279,720.76)
May-22	(2,036,491.37)
	(12,921,479.27)

Balance	\$ 2,473,664.31	Acct 182363 or 254163
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