

1 Period, plus a true-up of the costs recovered during the Recovery Period ending
2 November 30, 2018. This recovery via FAC rates will be reflected on the Missouri
3 customers' bills over the six-month Recovery Period running from June 2019
4 through November 2019.

5 **Q. HOW HAVE LIBERTY-EMPIRE'S AVERAGE ENERGY COSTS**
6 **CHANGED OVER THE COST INCLUDED IN BASE RATES DURING**
7 **THE ACCUMULATION PERIOD?**

8 A. Liberty-Empire's average energy costs per kWh have increased above the level
9 built into its base electric rates, which is why the FAC rate schedules filed by the
10 Company seek an increase in the rates charged to the Missouri customers. More
11 specifically, Liberty-Empire's Missouri base rates included an average cost of
12 energy per kWh of net system production of \$0.02415 during the Accumulation
13 Period of September 2018 through February 2019. Liberty-Empire actually
14 incurred average energy costs of \$0.02715 per kWh during the Accumulation
15 Period, which is \$0.00300 per kWh or about 12.4 percent higher than the average
16 cost built into base rates. Pursuant to Liberty-Empire's FAC tariff, Liberty-Empire
17 is requesting a charge to its Missouri customers the net of 95 percent of this cost
18 increase plus approximately \$844,601 of under-recovered energy cost and \$31,323
19 of interest income from the Recovery Period ending November 30, 2018, or an
20 average of \$.00330 per kWh sold during the upcoming Recovery Period.

21 **Q. HOW DOES THIS FAC CHANGE EFFECT THE MONTHLY BILL FOR A**
22 **TYPICAL RESIDENTIAL CUSTOMER?**

23 A. For Missouri residential customers using 1,000 kWh per month, the electric bill

