

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 17<sup>th</sup> day of November, 2021.

In the Matter of The Empire District	)	
Electric Company d/b/a Liberty (Empire)	)	
for Authority to Implement Rate	)	<b><u>File No. ER-2022-0095</u></b>
Adjustments Related to the Company's	)	Tariff No. JE-2022-0067
Fuel and Purchase Power Adjustment	)	
(FAC) Required in 20 CSR 4240-20.090	)	

In the Matter of The True-Up of the Empire	)	
District Electric Company d/b/a Liberty	)	<b><u>File No. EO-2022-0096</u></b>
(Empire) Fuel Adjustment Clause (FAC)	)	Tariff No. JE-2022-0067
True-Up	)	

**ORDER APPROVING TARIFF AND APPROVING ANNUAL  
ADJUSTMENT CLAUSE TRUE-UP**

Issue Date: November 17, 2021

Effective Date: December 1, 2021

On September 30, 2021, The Empire District Electric Company, d/b/a Liberty (Liberty) filed a revised tariff sheet proposing a revised fuel adjustment rate in its tariffed fuel adjustment clause (FAC), as provided by Commission Rule 20 CSR 4240-20.090(8), and bearing an effective date of December 1, 2021. Liberty filed a substitute tariff sheet on October 1, 2021<sup>1</sup>. Also, Liberty initiated a rate adjustment mechanism true-up, to be included in the proposed fuel adjustment rate.

The Commission directed notice of the filings and set an intervention deadline. No applications to intervene were received in either case. On November 1, 2021, the Staff of the Commission (Staff) filed its recommendation in both cases to approve the proposed

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<sup>1</sup>Liberty filed identical tariff sheets in File Nos. ER-2022-0095 and EO-2022-0096. The tariff sheet is assigned Tariff No. JE-2022-0067.

tariff sheet. Commission rules allow parties ten days to respond to pleadings unless otherwise ordered. Ten days have elapsed and no party has objected to Staff's recommendation.

Commission Rule 20 CSR 4240-20.090(8) governs fuel and purchased power cost recovery mechanisms for electric utilities. That rule requires Liberty to make periodic FAC filings that are designed to allow the Commission to review the actual total energy costs that the company has incurred during an Accumulation Period. In addition, these periodic filings are designed to adjust the FAC rates up or down, to reflect the actual energy costs incurred during the Accumulation Period. Any increases or decreases in rates approved by the Commission, or that take effect by operation of law, are then collected from or refunded to customers over two six-month Recovery Periods: June through November and December through May.

Liberty provided testimony that for the Accumulation Period from March 2021 through August 2021, Liberty's total energy costs eligible for the FAC have been higher than the base energy cost included in the Company's Missouri rates by approximately \$41,638,809.<sup>2</sup> Under normal circumstances, Liberty would file a FAC rate tariff designed to recover 95 percent of the energy cost differences, or approximately \$39,556,868.<sup>3</sup> However, due to "extraordinary costs" resulting from the February 2021 cold weather event (Winter Storm Uri), Liberty is seeking approval to defer collection of \$23,644,802 of its total energy costs until its next general rate case, as it is allowed to do under Commission Rule 20 CSR 4240-20.090(8)(A)2.A(XI).<sup>4</sup>

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<sup>2</sup> Corrected Direct Testimony of Charlotte T. Emery, (filed October 20, 2021), page 4.

<sup>3</sup> Corrected Direct Testimony of Charlotte T. Emery, (filed October 20, 2021), page 4.

<sup>4</sup> Corrected Direct Testimony of Charlotte T. Emery, (filed October 20, 2021), page 4.

Staff recommendation explains that Liberty's FAC adjustment will increase the monthly bill of a residential customer using 1,000 kWh by \$7.12 per month. If not for the deferral of Winter Storm Uri costs, that monthly bill would increase by \$18.07 per month. Staff does not oppose the proposed deferral of those costs.

Concurrent with its fuel adjustment rate filing, Liberty submitted a FAC true-up filing in File No. EO-2022-0096 that identified an over-collection of \$523,943 for the Recovery Period from December 1, 2020 through May 31, 2021 of Liberty's FAC due to the difference between actual and estimated kWh sales. This true-up amount, plus interest, is added to the Fuel and Purchased Power Adjustment (FPA), and is incorporated into the FAR.<sup>5</sup> Staff's recommendation indicates this true-up amount is correct.

Based on the recommendation of its Staff and its review of the verified filings, the Commission will approve Liberty's tariff and authorize Liberty to include the calculated true-up amount in its calculation of the FPA amount in its accumulation period 26 adjustment filing in File No. ER-2022-0095.

The Commission's rule regarding FACs requires the Commission to issue an order regarding the company's tariff within 60 days of its filing.<sup>6</sup> If the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo 2016, and the FAC mechanism established in the most recent general rate proceeding, the Commission is required to approve the rate adjustment or allow the proposed tariff implementing the adjustment go into effect by operation of law.<sup>7</sup>

The Commission has reviewed Liberty's tariff filings and Staff's verified

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<sup>5</sup> True-up Testimony of Charlotte T. Emery, (filed September 30, 2021), page 4.

<sup>6</sup> Commission Rule 20 CSR 4240-20.090(8)(H).

<sup>7</sup> Commission Rule 20 CSR 4240-20.090(8)(H).

recommendations and memoranda and finds that the tariff sheet implementing the FAC rate adjustment is in compliance with the Commission's order establishing the FAC and with all applicable statutes and regulations. Therefore, the Commission will approve Liberty's proposed tariff, effective December 1, 2021.

Without Commission action, the tariff will become effective by operation of law on December 1, 2021. So that this order concerning the true-up amounts and the tariff are concurrently effective, this order will be made effective in less than thirty days.

**THE COMMISSION ORDERS THAT:**

1. The true-up amount for the Recovery Period from December 1, 2020 through May 31, 2021 is an over-collection of \$523,943 from its customers, and shall be reflected in the rate adjustment in Commission File No. ER-2022-0095.

2. Liberty's tariff filing, assigned Tariff Tracking Number JE-2022-0067, as substituted on October 20, 2021, is approved. The tariff approved is:

**P.S.C. MO. No. 6**

Third Revised Sheet No. 17q, Replacing the Second Revised Sheet No. 17q

3. This order shall be effective on December 1, 2021.
4. These files shall close on December 2, 2021.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and  
Kolkmeier CC., concur.

Keeling, Regulatory Law Judge

**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 17<sup>th</sup> day of November, 2021.**



  
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**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**November 17, 2021**

**File/Case No. ER-2022-0095 and EO-2022-0096**

**Missouri Public Service Commission**

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***Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).***

***Sincerely,***

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style with a large, prominent "M" and "W".

**Morris L. Woodruff  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.