

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 12th day of May, 2022.

In the Matter of The Empire District Electric Company d/b/a Liberty (Empire) for Authority to Implement Rate Adjustments Related to the Company's Fuel and Purchase Power Adjustment (FAC) Required in 20 CSR 4240-20.090)
) **File No. ER-2022-0274**
) Tariff No. JE-2022-0245
)

In the Matter of the True-Up of The Empire District Electric Company d/b/a Liberty (Empire) Fuel Adjustment Clause (FAC) True-Up)
) **File No. EO-2022-0275**
)

**ORDER APPROVING FUEL ADJUSTMENT
TRUE-UP AND APPROVING TARIFF TO CHANGE
FUEL ADJUSTMENT CLAUSE RATES**

Issue Date: May 12, 2022

Effective Date: June 1, 2022

On April 1, 2022, the Empire District Electric Company d/b/a Liberty (Empire) submitted its FAC rate tariff for the recovery period ending November 30, 2021 (Tariff No. JE-2022-0245) in File No. ER-2022-0274 as required by Section 386.266, RSMo, and Commission Rule 20 CSR 4240-20.090(8). Empire also submitted an application containing its twenty-fifth true-up filing for its Fuel Adjustment Clause (FAC), as required by Commission Rule 20 CSR 4240-20.090(9) in File No. EO-2022-0275. Empire requests that the Commission authorize a true-up adjustment and implement it under its FAC tariff bearing an effective date of June 1, 2022. Empire filed a substitute tariff on April 19, 2022.

FAC true-up

The true-up amount identified in EO-2022-0275 is the result of an under-collection of \$413,876 from customers during Recovery Period 25 from June 1, 2021 through November 30, 2021 (RP25). The true-up amount of \$413,876 for RP25 is included in the preliminary calculation of the Fuel and Purchased Power (“FPA”) amount included in Empire’s Accumulation Period 27 (“AP27”) adjustment filing, also filed on April 1, 2022, in File No. ER-2022-0274, which Empire filed in compliance with its FAC.

Staff filed its recommendation regarding Empire’s True-up on April 29, 2022, in which it examined the direct testimony of Charlotte T. Emery, supporting schedules, and workpapers and the monthly information Empire provided with its application in this case. Staff reviewed the calculations of the corrections and interest amounts in those supporting workpapers. Staff verified that Empire has filed its 2020 annual report and is not delinquent on any assessment. Empire is current on the filing of its Surveillance Monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff recommends the Commission approve Empire’s RP25 true-up filing for inclusion in the changes in Empire’s AP27 adjustment filing in File No. ER-2022-0274.

Based on the Commission’s review of the verified filings, the Commission finds that it is in the public interest to approve Empire’s application and authorize Empire to include the calculated amount in its next FAC accumulation period as previously described.

FAC tariff

Empire continues to defer the extraordinary Winter Storm Uri costs, and in this accumulation period it proposes to defer a resettlement credit pertaining to Winter Storm Uri in the amount of (\$8,632,928). Empire has applied to the Commission for a financing order authorizing the issuance of securitized utility tariff bonds in this amount in File No. EO-2022-0040.

With regard to Empire’s request to approve its FAC tariff in File No. ER-2022-0274, the dollar amount used to calculate the proposed rate schedules for AP27 is \$28,095,937, which includes net cost increases or decreases in the amount of \$19,003,730, the deferred amount of \$8,632,928 of extraordinary net credits, the true-up amount for Recovery Period 25 of \$413,876, and interest of \$45,403. Based on an average usage of 1,000 kWh per month, Empire’s requested adjustment would result in an increase in the bill of a typical residential customer of approximately \$5.85 per month.

Because of the differences in line loss for Empire of primary and secondary voltage service levels, the proposed tariff sheet reflects different current period fuel adjustment rates (FARs) for fuel taken at each of these service levels. Empire’s FARs are set out in the table below:

Current Annual Fuel Adjustment Rate per kWh			
Service Voltage Level	Present Annual FAR	Proposed Annual FAR	Difference
Primary	\$0.00699	\$0.01273	\$0.00574 Increase
Secondary	\$0.00712	\$0.01297	\$0.00585 Increase

The Commission's Staff filed a recommendation regarding Empire's tariff on April 29, 2022. Staff verified that Empire's actual fuel and purchased power costs match the fuel and purchased power costs included in the company's calculated rates set out in the submitted tariff. Staff also reviewed Empire's monthly interest rates that are applied to the monthly cumulative over- and under-recovery amounts for AP27, a portion of RP26, and a portion of RP25, and the calculation of the monthly amounts. Staff opined that the information filed with the tariff sheet and work papers includes sufficient data to calculate the fuel adjustment rates for AP27. Staff recommends the Commission approve the P.S.C. Mo. No. 6 Section 4, 4th Revised Sheet No. 17q Canceling 3rd Revised Sheet No. 17q filed on April 1, 2022, as substituted on April 19, 2022, submitted by Empire to become effective on the June 1, 2022 effective date.

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 recommendations in either ER-2022-0274 or EO-2022-0275.

The Commission's rule regarding FACs requires the Commission to issue an order approving or rejecting the company's tariff within 60 days of its filing.¹ If the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo, 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.²

¹ Commission Rule 20 CSR 4240-20.090(8).

² *Id.*

The Commission has reviewed Empire's verified application, Empire's tariff filing, and Staff's verified recommendation and memorandum 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 Empire's proposed tariff.

Without Commission action, the tariff will become effective by operation of law on June 1, 2022. Additionally, as noted above, the Commission's rule requires an order be issued within 60 days of the tariff filing. Therefore, the Commission finds it reasonable to make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. Empire District Electric Company d/b/a Liberty's tariff filing in File No. ER-2022-0274, assigned Tariff Tracking No. JE-2022-0245, is approved to be effective June 1, 2022, as an interim rate adjustment, subject to true-up and prudence reviews. The tariff approved is:

P.S.C. MO. No. 6 Section 4

4th Revised Sheet No. 17q, Canceling 3rd Revised Sheet No. 17q

2. The true-up amount for Recovery Period 25 is established for Empire District Electric Company d/b/a Liberty as an under-collection of \$413,876 from its customers and shall be reflected in the rate adjustment in Commission File No. EO-2022-0275.

3. This order shall become effective on June 1, 2022.

4. These files shall close on June 2, 2022.



BY THE COMMISSION

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 12th day of May, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

May 12, 2022

File/Case No. ER-2022-0274 and EO-2022-0275

Missouri Public Service Commission

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounsel@psc.mo.gov

Office of the Public Counsel

Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opc@psc.mo.gov

Empire District Retired Members & Spouses Association, LLC

Legal Department
3010 East Battlefield, Ste. A
Springfield, MO 65804

IBEW Local Union 1464

Legal Department
P.O. Box 33443
Kansas City, MO 64120

IBEW Local Union 1474

Legal Department
P.O. Box 1104
Joplin, MO 64804

Liberty (Empire)

Diana C Carter
428 E. Capitol Avenue, Suite 303
Jefferson City, MO 65101
Diana.Carter@LibertyUtilities.com

Midwest Energy Consumers Group

Legal Department
807 Winston Court
Jefferson City, MO 65101

Missouri Division of Energy

Legal Department
1101 Riverside Drive, 2nd Floor
P.O. Box 176
Jefferson City, MO 65102

Missouri Public Service Commission

Eric Vandergriff
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
Eric.Vandergriff@psc.mo.gov

National Housing Trust

Legal Department
3115 S. Grand Ave.
Suite 600
St. Louis, MO 63118

Natural Resources Defense Council

Legal Department
20 North Wacker Drive, Suite 1600
Chicago, IL 60606

Renew Missouri

Legal Department
Building 5, Suite 205
409 Vandiver Drive
Columbia, MO 65201

Sierra Club

Legal Department
2101 Webster St., Ste. 1300
Oakland, CA 94612

The Empire District Electric Company SERP Retirees, LLC

Legal Department
308 E. High Street, Suite 204
Jefferson City, MO 65101

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

Sincerely,



**Morris L. Woodruff
Secretary**

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