

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its Office in Jefferson City on the 17th day of November, 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-2023-0122**
) Tariff No. JE-2023-0060
)

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-2023-0123**
)

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

Issue Date: November 17, 2022

Effective Date: December 1, 2022

On September 30, 2022, The Empire District Electric Company, d/b/a Liberty (Empire) filed a revised tariff sheet proposing a revised fuel adjustment rate (FAR) 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, 2022. Empire filed a revised tariff sheet on the same day. Empire also 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 October 31, 2022, the Staff of the Commission (Staff) filed its recommendation in both cases to approve the proposed tariff sheet and true-up filing. 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 Empire 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 FAR up or down, to reflect the actual energy costs incurred during the Accumulation Period. Empire's FAC tariff calls for two annual filings: a filing covering the six month Accumulation Period running from September through February, and a second filing covering the Accumulation Period running from March through August. 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.

Empire provided testimony that for Accumulation Period 28 (AP28) from March 2022 through August 2022, Empire's total eligible energy costs for AP28 have been higher than the base energy cost included in the Company's Missouri rates by approximately \$38,778,820. This includes net cost increases or decreases reflecting 95% of the difference between the energy costs in Empire's base rates and actual energy costs in the amount of \$35,951,682, the true-up amount for Recovery Period 26 (RP26) from December, 2021 through May, 2022 of \$2,473,664, and interest in the amount of \$353,474¹.

Staff recommendation explains that Empire's FAC adjustment will apply a FAR of \$0.01765 for primary service, and \$0.01798 for secondary service to the actual Missouri retail kWh sales that take place during the December 1, 2022 to May 31, 2023 recovery

¹ Direct Testimony of Brooke M. Prier, (filed September 30, 2022), page 4.

period. This is due to the difference in line losses at the different voltage levels. The proposed FARs will increase the monthly bill of a residential customer using 1,000 kWh by \$5.01 per month, from \$12.97 to \$17.98.

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Primary	\$0.01273	\$0.01765	\$0.00492 Increase
Secondary	\$0.01297	\$0.01798	\$0.00501 Increase

Concurrent with its FAR filing, Empire submitted its FAC true-up filing in File No. EO-2023-0123 for Accumulation Period 26 (AP26), from March 2021 through August 2021. That filing identified an under-collection of the Fuel and Purchased Power Adjustment (FPA) amount of \$2,473,664 for RP26 based on the difference between actual and estimated kWh sales. This true-up amount, plus interest, is added to the FPA, and is incorporated into the FAR.² Staff's recommendation indicates this true-up amount is correct.

Based on the recommendation of Staff and its review of the verified filings, the Commission will approve Empire's tariff and authorize Empire to include the calculated true-up amount in its calculation of the FPA amount in its AP28 adjustment filing in File No. ER-2023-0122.

The Commission's rule regarding FACs requires the Commission to issue an order regarding the company's tariff within 60 days of its filing.³ If the FAC rate adjustment complies with the Commission's rule, Section 386.266, RSMo, 2016, and the FAC

² True-up Testimony of Brooke M. Prier, (filed September 30, 2022), page 3.

³ Commission Rule 20 CSR 4240-20.090(8)(H).

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.⁴

The Commission has reviewed Empire's tariff filings and Staff's verified 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 Empire's proposed tariff, effective December 1, 2022.

Without Commission action, the tariff will become effective by operation of law on December 1, 2022. 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, 2021 through May 31, 2022 is an under-collection of \$2,473,664 from its customers, and shall be reflected in the rate adjustment in Commission File No. ER-2023-0122.

2. Empire's tariff filing, assigned Tariff Tracking Number JE-2023-0060 is approved. The tariff approved is:

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

Fifth Revised Sheet No. 17q, Cancelling Fourth Revised Sheet No. 17q

3. This order shall be effective on December 1, 2022.

⁴ Commission Rule 20 CSR 4240-20.090(8)(H).

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



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

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 17th day of November, 2022.





Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 17, 2022

File/Case No. ER-2023-0122 and EO-2023-0123

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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.