

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of The)
Empire District Electric Company d/b/a)
Liberty to Implement Robust and Mutually-) **File No. EO-2022-0078**
Beneficial Energy Efficiency Offerings)
Under the Framework Prescribed by)
MEEIA)

STAFF RECOMMENDATION TO APPROVE TARIFF

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and for its *Recommendation to Approve Tariff* respectfully states:

1. On May 1 2023, Empire District Electric Company d/b/a Liberty filed with the Commission two tariff sheets bearing an issue date of May 1, 2023, with an effective date of July 1, 2023, proposing to adjust charges related to Liberty’s DSIM Rider.

2. Staff’s *Memorandum*, attached hereto as Appendix A and incorporated by reference, recommends the Commission issue an order approving the following tariff sheets, filed on May 1, 2023 for service on and after July 1, 2023, the requested effective date.

3. The proposed change will decrease residential customers’ DSIM Rider rate from \$0.00087 to \$0.00051 per kWh. For a typical residential customer using 1,046 kWh, this would result in a decrease of \$0.38 per month. For a Small C & I non-residential customer with typical use of 1,430 kWh per month, this would result in a billing decrease of (\$0.93). For a typical Large C & I customer using 38,679 kWh monthly, the billing decrease result would be (\$25.14).

WHEREFORE, Staff recommends the Commission issue an order approving the following two (2) tariff sheets, filed May 1, 2023, for service on and after July 1, 2023.

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

Third Revised Sheet No. 21E, Canceling Second Revised Sheet No. 21E
Third Revised Sheet No. 21F, Canceling Second Revised Sheet No. 21F

Respectfully submitted,

/s/ Nicole Mers

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Missouri Public Service Commission

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to counsel for all parties this 23rd day of May, 2023.

/s/ Nicole Mers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EO-2022-0078 and Tariff Tracking No. YE-2023-0192

FROM: Nancy L. Harris, Senior Utility Regulatory Auditor

/s/ Nancy L. Harris / 05-23-23 /s/ Nicole Mers / 05-23-23
Senior Utility Regulatory Auditor / Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation to Approve Empire District Electric Company, d/b/a Liberty (“Liberty”) Proposed Tariff Sheet to Adjust Demand Side Investment Mechanism (“DSIM”) Rider Rate effective July 1, 2023.

DATE: May 23, 2023

Liberty Filing

On May 1 2023, Empire District Electric Company d/b/a Liberty filed with the Commission two (2) tariff sheets bearing an issue date of May 1, 2023, with an effective date of July 1, 2023, proposing to adjust charges related to Liberty’s DSIM Rider. Liberty’s filing also included work papers consisting of electronic worksheets showing its calculation of the proposed rates. As filed, Liberty’s DSIM revenue requirement for program year 2023 is slightly over \$2.7 million.

On May 2, 2023, the Commission issued its *Order Directing Notice, Establishing Intervention Date, and Directing Filing of Staff Recommendation* directing Staff to file its recommendation no later than May 23, 2023.

Change in Liberty’s DSIM Rates

Per 20 CSR 4240-20.093(4), Liberty is required to adjust its DSIM rates no less often than annually to reflect the amount of revenue that has been over/under collected.

The current Missouri Energy Efficiency Investment Act (“MEEIA”) mechanism rate per class of customer is collected through a line item on current bills based on an annual level of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. Liberty’s MEEIA Cycle 1 was approved December 2021 in this same Case No. EO-2022-0078.

The table below provides a summary of the cumulative program costs (“PC”) and throughput disincentive (“TD”) for Cycle 1 and average cost per estimated kilowatt hour (kWh) saved. Actual 2022 data is included in this table. 2023 values are forecasted data, which are adjusted by actual data in the next adjustment filing.

	MEEIA Cycle 1 through Dec 2023
Program Cost	\$ 2,099,935
TD	\$ 636,695
Total	\$ 2,736,630
Estimated kWh Saved	24,052,342
Avg Cost per Estimated kWh Saved	\$0.11

Listed below are the current MEEIA rates and the new MEEIA rates for the proposed DSIM Rider. The proposed DSIM Rider rate changes are applicable to all non-lighting kilowatt hours (kWh) of energy supplied to customers under Liberty’s retail rates schedules, excluding kWh of energy supplied to “opt-out” customers.

Rate Schedule	Typical Liberty Monthly Use (kWh)	Current DSIM Charge	Customer Bill Current DSIM Charge	Proposed DSIM Charge	Customer Bill Proposed DSIM Charge	DSIM Charge Increase/ (Decrease)	Monthly Incr/(Decr) to Customer Bill Based on Typical Use
Residential Service	1,046	\$0.00087	\$0.91	\$0.00051	\$0.53	(\$0.00036)	(\$0.38)
Small C & I	1,430	\$0.00130	\$1.86	\$0.00065	\$0.93	(\$0.00065)	(\$0.93)
Large C & I	38,679	\$0.00130	\$50.28	\$0.00065	\$25.14	(\$0.00065)	(\$25.14)

The proposed change will decrease residential customers' DSIM Rider rate from \$0.00087 to \$0.00051 per kWh. For a typical residential customer using 1,046 kWh, this would result in a decrease of \$0.38 per month. The new rates would also result in rate decreases for all Non-Residential rate classes as shown in the table above. For a Small C & I non-residential customer with typical use of 1,430 kWh per month, this would result in a billing decrease of (\$0.93). For a typical Large C & I customer using 38,679 kWh monthly, the billing decrease result would be (\$25.14).

Staff Recommendation

The Commission Staff's Tariff/Rate Design Department have reviewed the filed tariff sheets and recommends the Commission issue an order approving the following tariff sheets, filed on May 1, 2023 for service on and after July 1, 2023, the requested effective date:

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

Third Revised Sheet No. 21E, Canceling Second Revised Sheet No. 21E

Third Revised Sheet No. 21F, Canceling Second Revised Sheet No. 21F

Staff has verified that Liberty is not delinquent on any assessment and has filed its Annual Report. Liberty is current on its submission of its Quarterly Surveillance Monitoring reports as required in 20 CSR 4240-20.090(10). Staff's recommendation to approve these Third Revised Sheets Nos. 21E and 21F does not constitute a review of the prudence of Liberty's actions in relation to its DSIM.

