

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

In the Matter of the Establishment of a Working Case        )  
Regarding the Membership of Missouri’s Investor-Owned    )        Case No. EW-2021-0104  
Electric Utilities in Regional Transmission Organizations    )

**LIBERTY’S RESPONSE TO COMMISSION ORDER**

COMES NOW The Empire District Electric Company (“Liberty” or the “Company”), and regarding the *Order Directing Response* issued by the Missouri Public Service Commission (“Commission”) on July 25, 2022, respectfully states as follows:

1. On October 14, 2020, the Commission issued its *Order Opening a Working Case to Consider the Membership of Missouri’s Investor-Owned Electric Utilities in Regional Transmission Organizations*.
2. The Commission stated it “believes there are benefits resulting from Missouri’s investor-owned electric utilities maintaining membership in a Regional Transmission Organization (RTO).” The Commission, however, also stated that “(i)t is less clear that the long-term benefits of RTO membership exceed the long-term costs and commitments of RTO membership, especially given that the structure, services, and membership of both Southwest Power Pool (SPP) and the Midcontinent Independent System Operator (MISO) continue to change significantly with the passage of time.”
3. The Commission then issued its *Order Directing Comments* herein on December 21, 2020, directing Liberty and the other Missouri investor-owned electric utilities (“IOUs”) to respond to a list of questions by February 16, 2021. Liberty and the other electric IOUs responded as directed.
4. Following the filing of a report by the Staff of the Commission (“Staff”) on June 11, 2021, the Commission issued its *Order Directing Response* on July 25, 2022. The Commission directed

any stakeholder wishing to respond to the recommendation offered by Staff in its June 11 Report to do so by August 25, 2022.

5. Staff requests “each electric utility to work with its respective RTO to identify the point in time at which the exit fees applicable to a given utility will reflect the most depreciation for existing projects prior to the inclusion of new projects” and provide “the estimated revenue requirement impact (positive and negative) for each of the next five years of continued RTO participation.”
6. If the Commission determines that the electric IOUs need to respond as requested by Staff, Liberty submits that a fairly significant extension of time will be needed in order for Liberty to respond.
7. There are some concerns surrounding the recent preliminary studies (the Regional Cost Allocation Review III (“RCAR 3”)) produced by SPP to evaluate the benefits and costs relating to base plan funding of transmission investment. At this time, the RCAR 3 is still preliminary in nature, and the Company is just commencing discussions with SPP to understand the analysis.
8. Due to the nature of the concerns surrounding the RCAR 3 and the required reliance on the data produced from SPP studies such as this, Liberty needs additional time to determine if it would consider it worthwhile to undertake the studies necessary to provide the information that Staff seeks in its recommendation. Liberty then would need additional time to respond as requested by Staff, if directed to do so by the Commission.
9. Liberty is unable to determine if and when a full and reliable benefit/cost assessment could be produced. The Company can commit to an update on the content of these discussions periodically with the first update being no later than January 31, 2023.

**WHEREFORE**, Liberty submits this Response to Commission Order and requests such relief as is proper under the circumstances.

Respectfully submitted,

/s/ Diana C. Carter

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**CERTIFICATE OF SERVICE**

I hereby certify that the above document was filed in EFIS on this 25<sup>th</sup> day of August, 2021, with a copy sent to all counsel of record.

/s/ Diana C. Carter