

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 14<sup>th</sup> day of  
September, 2023.

In the Matter of the Tenth Prudence Review )  
of Costs Subject to the Commission- )  
Approved Fuel Adjustment Clause of The ) **File No. EO-2023-0087**  
Empire District Electric Company d/b/a )  
Liberty )

**ORDER APPROVING STAFF'S PRUDENCE REVIEW REPORT**

Issue Date: September 14, 2023

Effective Date: October 14, 2023

This case was opened on September 1, 2022, to consider the tenth fuel adjustment clause (FAC) prudence review of The Empire District Electric Company d/b/a Liberty. On February 28, 2023, the Staff of the Commission (Staff) filed *Staff's Tenth Prudence Review Report* regarding its review in which it found no incidence or evidence of imprudence by Liberty for the period of March 1, 2021, through August 31, 2022. No requests for hearing were filed within the ten days set out in the Commission's rule.<sup>1</sup>

On March 10, 2023, the Office of the Public Counsel (OPC) filed *Public Counsel's Response* to Staff's report. In its *Response*, OPC requested the Commission to direct Staff to amend its report to address an outage at Liberty's Neosho Ridge wind farm in March of 2022. OPC did not request a hearing but, instead, requested the Commission to order Staff to amend its report to address the Neosho Ridge outage and its impacts on customers.

On June 9, 2023, the Commission issued an *Order Directing Staff to Reply to Public Counsel's Response*. On June 30, 2023, Staff filed its *Staff Response to Order Directing Staff to Reply to Public Counsel's Response*. In its pleading, Staff noted that OPC did not request a

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<sup>1</sup> 20 CSR 4240-20.090(11)(B).

hearing within ten days after Staff filed its recommendation nor did the Commission issue an order regarding the prudence review within 30 days of Staff filing its recommendation. Staff further noted that the Neosho Ridge outage was reviewed as part of its overall FAC prudence review and found nothing on which to base an allegation of imprudence.

On July 10, 2023, OPC filed *Public Counsel's Reply to Staff's Response Regarding the Neosho Ridge Outage*. In its reply, OPC noted that Liberty had yet to complete a root cause analysis of the outage and not until June of 2023 did Liberty provide partial analyses that "includes multiple potential instances of imprudence." OPC requested that the Commission direct Staff to update its prudence review report "following a full review of all root cause analyses once those analyses are fully complete; or in the alternative, hold an evidentiary hearing to address the issues raised" in its reply. OPC requested that the Commission waive the ten-day rule on requesting a hearing, stating that "[g]ood cause exists to grant this waiver because the Staff's Report does not identify a cause of the [Neosho Ridge] transmission outages and additional root cause analyses are still pending."

In its prudence review, Staff analyzed items affecting Liberty's total fuel costs, purchased power costs, net emission costs, transmission costs, off-system sales revenues, and interest for the 26<sup>th</sup>, 27<sup>th</sup>, and 28<sup>th</sup> six-month accumulation periods of Liberty's FAC.

The Commission has considered Staff's report. In evaluating prudence, Staff reviewed whether a reasonable person would find that both the information Liberty relied on, and the process Liberty employed when making the decision under review, were reasonable based on the circumstances at the time the decision was made, without the benefit of hindsight. During its review, Staff found no evidence of imprudence by Liberty.

The Commission is satisfied that Staff reviewed the Neosho Ridge outage and found nothing on which to base an allegation of imprudence. The Commission Rule specifies that

parties have ten days after Staff files its recommendation to request a hearing. OPC's request was not timely. OPC's request that the Commission waive that Commission Rule requirement is denied.

The Commission finds Staff's report and recommendation regarding its prudence review of Liberty's fuel and purchased power costs and off-system sales revenue associated with its fuel adjustment clause to be reasonable, and will approve it.

**THE COMMISSION ORDERS THAT:**

1. Staff's Prudence Review Report for the tenth prudence review of costs related to the fuel adjustment clause for the electric operations of Liberty is approved.
2. OPC's request that the Commission waive the provision in Commission Rule 20 CSR 4240-20.090(11)(B) allowing parties ten days after Staff files its recommendation to request a hearing is denied.
3. This order shall become effective on October 14, 2023.
4. This file shall be closed on October 16, 2023.



**BY THE COMMISSION**

*Nancy Dippell*

Nancy Dippell  
Secretary

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

Seyer, 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 14<sup>th</sup> day of September, 2023.**



*Nancy Dippell*  
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**Nancy Dippell**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**September 14, 2023**

**File/Case No. EO-2023-0087**

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

*Sincerely,*



**Nancy Dippell  
Secretary**

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