

Exhibit No.: _____
Issue: Fuel Adjustment – True-up
Witness: Monica K. Gloodt
Type of Exhibit: Direct
Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: EO-2024-_____
Date Testimony Prepared: April 2024

**Before the Public Service Commission
of the State of Missouri**

FAC True-Up Direct Testimony

of

Monica K. Gloodt

on behalf of

The Empire District Electric Company

April 1, 2024



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THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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THE EMPIRE DISTRICT ELECTRIC COMPANY
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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Monica K. Gloodt, and my business address is 602 South Joplin Avenue,
4 in Joplin, Missouri.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Liberty Utilities Services Corp. (“LUSC”), and I serve as an Analyst
7 in the Rates and Regulatory Affairs Department for Liberty’s Central Region, which
8 includes The Empire District Electric Company (“Liberty-Empire” or “Company”).

9 **Q. Please describe your educational and professional background.**

10 A. I graduated from Pittsburg State University with a Bachelor of Science degree with a
11 major in Finance. I was hired by LUSC in July of 2020 as an Analyst I in the Rates and
12 Regulatory Affairs department and was promoted to an Analyst II in February 2024.

13 **Q. Have you previously testified before the Missouri Public Service Commission
14 (“Commission”) or any other regulatory agency?**

15 A. Yes, I have previously testified before this Commission in Docket Nos. ER-2024-0118
16 and EO-2024-0119. I have also submitted Direct Testimony before the Arkansas Public
17 Service Commission in Docket Nos. 18-054-TF, 18-055-TF, 13-111-U, 16-053-U and
18 22-085-U.

19 **Q. What is the purpose of your FAC True-Up Testimony?**

20 A. The purpose of this testimony is to identify and explain the true-up amount included in
21 the Company’s Fuel & Purchased Power Adjustment Clause (“FAC”) filing. Liberty-

1 Empire is filing to adjust the Fuel Adjustment Rate (“FAR”) in a separate filing, and
2 the true-up amount (with interest) is a component of the FAR. The true-up is the over
3 or under recovered FAC balance from the prior Recovery Period. In other words, the
4 true-up adjustment of the fuel & purchased power adjustment (“FPA”), as defined by
5 the tariff, is the difference between the FPA revenues billed and the FPA revenues
6 authorized for collection during the true-up Recovery Period, i.e. the true-up
7 adjustment.

8 **II. TRUE-UP**

9 **Q. Please briefly explain the FAC true-up process.**

10 A. The Commission’s rule governing fuel and purchased power cost recovery mechanisms
11 for electric utilities, 20 CSR 4240-20.090, requires Liberty-Empire to make periodic
12 FAC filings designed to enable Commission review of the actual fuel costs, purchased
13 power costs, cost of consumables associated with the power plants’ air quality control
14 system (“AQCS”), net cost of emission allowances, revenue from the sale of renewable
15 energy credits (“REC”), and off-system sales revenues (collectively referred to as total
16 energy costs) the Company has incurred during an Accumulation Period. In addition,
17 these periodic filings are designed to adjust the FAC rates up or down, to reflect the
18 actual energy costs incurred during the Accumulation Period. Liberty-Empire’s FAC
19 tariff calls for two annual filings: a filing covering the six-month Accumulation Period
20 running from September through February and a second filing covering the
21 Accumulation Period running from March through August. Any increases or decreases
22 in rates approved by the Commission, or that take effect by operation of law, are then
23 collected from or refunded to customers over two six-month Recovery Periods: June
24 through November and December through May.

1 **Q. With this true-up, is the Company seeking an increase or a decrease in its FAC**
2 **rates?**

3 A. In this instance, Liberty-Empire is seeking an increase in its FAC rates to reflect 95%
4 of the difference between the base energy costs built into its base Missouri rates and
5 Liberty-Empire's actual Missouri energy costs for the Accumulation Period plus a true-
6 up of the costs recovered during the Recovery Period ending November 30, 2023. This
7 true-up adjustment is a component of the FAC rates which will be reflected on the
8 Missouri customers' bills over the six-month Recovery Period from June 2024 through
9 November 2024.

10 **Q. What was the timing of the accumulation and recovery relating to this true-up?**

11 A. The Accumulation Period for the true-up portion of the FAC rate was from September
12 1, 2022, through February 28, 2023. The Recovery Period for that Accumulation Period
13 was June 1, 2023, through November 30, 2023.

14 **Q. Why is there a difference between what was accumulated (plus over – or under-**
15 **recovery) and the amount billed during the recovery period?**

16 A. The FAR is calculated based on projected kWh sales for the recovery period. Because
17 the projected sales can vary from actual, due to things such as weather, once the actual
18 sales are recorded, a difference exists between the estimate and the actual kWh billed.
19 This difference is "trued-up" in the subsequent FAC filing.

20 **Q. What was the over – or under recovery for the recovery period at issue in this**
21 **filing?**

22 A. The FAC was over-collected by \$2,010,080. As indicated above, the true-up amount
23 during the Recovery Period is due to the difference between actual and estimated kWh
24 sales. The estimated kWh's for recovery period were 2,321,470,205 and the actual kWh

1 were 2,329,135,611. The true-up amount is the net difference between the FPA
2 revenues billed and the FPA revenues authorized for collection during the true-up
3 recovery period. **Direct Schedule MKG-1**, which is attached to this testimony,
4 contains details of the calculations that produce the amount to be returned to customers.

5 **Q. How will that amount be reflected in customer rates?**

6 A. As mentioned earlier, the true-up amount plus interest is a component of the FAR. As
7 defined in the FAC tariff, the true-up amount plus interest is added into the FPA. The
8 adjustment to the FAR rate is being filed concurrently in a separate docket.

9 **Q. Does this conclude your FAC True-Up direct testimony?**

10 A. Yes.

VERIFICATION

I, Monica K. Gloodt, under penalty of perjury, on this 1st day of April, 2024, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Monica K. Gloodt