

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

In the Matter of The Empire District Electric Company’s)
Submission of its Interim Report Regarding) Case No. EO-2012-0269
Participation in the Southwest Power Pool, Inc.)

MOTION FOR CONTINUATION OF CONDITIONAL APPROVAL

COMES NOW The Empire District Electric Company d/b/a Liberty (“Liberty” or the “Company”), and with this Motion for Continuation of Conditional Approval regarding Liberty’s continued membership in the Southwest Power Pool (“SPP”), requests an order extending the interim and conditional approval of Liberty’s membership in SPP from August 1, 2024, to August 1, 2025. In support of this request, Liberty respectfully states as follows to the Missouri Public Service Commission (“Commission”):

1. On September 11, 2013, the Commission approved a stipulation and agreement that provided for Liberty’s continued participation in SPP through August 1, 2019. That stipulation and agreement contained provisions that required Liberty to undertake a cost/benefit study and prepare an interim report. On February 15, 2017, a joint motion was filed asking the Commission to modify the 2013 stipulation and agreement, delay the production of the interim report for three years, and extend Liberty’s authorization to participate in SPP for the same three-year period (to August 1, 2022).

2. On March 1, 2017, the Commission issued its *Order Modifying Stipulation and Agreement* herein, providing that the “interim and conditional approval of The Empire District Electric Company’s membership in the Southwest Power Pool, described in Section II.A(1) of the Stipulation and Agreement, is extended by three years to August 1, 2022.” The *Order Modifying Stipulation and Agreement* also provided that “(a)ll other dates associated with the Interim Report and Interim Approval are also extended by three years” and that Empire “shall file a 2021

Interim Report, containing a completed cost/benefit study and its case for whether to continue to participate in the Southwest Power Pool by April 30, 2021.”

3. With regard to the cost/benefit study discussed in the 2017 *Order Modifying Stipulation and Agreement*, Liberty submitted an Information Filing on February 3, 2020, stating its intent to obtain an estimate of the benefits and costs of remaining in the SPP by looking at the load ratio share approximation methodology, as suggested by the Commission in its October 11, 2019, *Order* regarding Evergy in Commission Case No. EO-2012-0135.

4. Subsequently, on October 14, 2020, the Commission issued an *Order Opening a Working Case to Consider the Membership of Missouri’s Investor-Owned Electric Utilities in Regional Transmission Organizations* (Case No. EW-2021-0104). The Commission stated that while it believes there are benefits resulting from Missouri’s investor-owned electric utilities maintaining membership in a Regional Transmission Organization (“RTO”) it is less clear that the long-term benefits of RTO membership exceed the long-term costs and commitments of RTO membership.¹

5. On April 29, 2021, Liberty filed a motion requesting “a stay of the requirement to submit an Interim Report herein, pending the outcome of Case No. EW-2021-0104,² and the extension of the Commission’s interim and conditional approval of Empire’s membership in the SPP.” With its

¹ *Order Opening a Working Case to Consider the Membership of Missouri’s Investor-Owned Electric Utilities in Regional Transmission Organizations*, Commission Case No. EW-2021-0104, page 1.

² The Staff Report in Case No. EW-2021-0104, including Staff’s recommendation, was filed June 11, 2021. Responses to Staff’s recommendation were submitted by the electric IOUs in August of 2022. No further action has taken place in the working docket.

However, on June 9, 2022, and upon motion of Ameren Missouri, the Staff of the Commission (“Staff”), the Office of the Public Counsel (“OPC”), and the Missouri Industrial Energy Consumers in Commission Case No. EO-2011-0128, the Commission extended its authorization for Ameren Missouri to participate in MISO indefinitely rather than for a fixed term.

Also, on July 12, 2023, and upon motion of Evergy, Staff, and Dogwood Energy in Commission Case No. EO-2012-0135, the Commission granted Evergy authority to continue the transfer of functional control of its transmission system to SPP, subject to certain conditions.

Order Granting Motion for Stay issued May 19, 2021, the Commission ordered as follows: “Empire’s obligation to file an interim report and cost/benefit study regarding its continued membership in SPP is stayed until further order of the Commission.” The Commission, however, stated that “(b)ecause the Commission’s interim and conditional approval of Empire’s membership in the SPP does not expire until August 1, 2022, the Commission will not grant a further extension of that approval at this time.”

6 With its filing herein on July 17, 2022, Liberty submitted that it would be reasonable and prudent, and would avoid duplication of work and the risk of inconsistent findings and conclusions, for the Commission’s conditional approval of Liberty’s membership in SPP to be extended pending further action in the working docket or other agreement among the parties. Specifically, Liberty requested an additional two year extension of the Commission’s interim and conditional approval of Liberty’s membership in SPP, to August 1, 2024.

7 On July 21, 2022, the Commission issued its *Order Granting Motion for Extension of Conditional Approval of Membership in the Southwest Power Pool*, extending the interim and conditional approval of Liberty’s membership in SPP by two years, to August 1, 2024.

8 On August 25, 2022, in the working docket (EW-2021-0104), the Company provided a response to the Staff Report, describing Liberty’s concerns surrounding the preliminary studies in the SPP’s Regional Cost Allocation Review III (“RCAR 3”). Regarding Staff’s request that each electric utility “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,” the Company requested additional time so that it could better understand the RCAR 3 results due to reliance on the data

produced from such SPP studies.

9. Throughout 2023, the Company held numerous meetings and discussions with SPP staff members and exchanged data to discuss Liberty's concerns regarding the preliminary results that were provided in SPP's RCAR 3 analysis. These discussions and the Company's review of the raw data contributed to SPP adding some additional modelling layers to improve the cost/benefit calculations (RCAR 3.1).

10. Although the Regional Cost Allocation Review modelling has limitations, the Company believes that the RCAR 3.1 is a considerably better analysis than what was originally produced (RCAR 3) and provides some value for comparative analysis.

11. However, entities on the eastern SPP seam, and in particular those on the southeastern seam (such as Liberty), tend to have the lowest cost/benefit ratios due to the lack of transmission projects in the area. Some of the challenges can be attributed to difficulty in coordinating mutually beneficial projects that span multiple RTOs (SPP and MISO) or RTOs and cooperatives (SPP and AECI). Although the lack of projects near the southeastern seam have been a cause of frustration, Liberty is hopeful that the Integrated Transmission Plan ("ITP") 2024 will result in some meaningful projects for Liberty's customers.

12. Liberty's experience during Storm Elliot underscored the critical need for regional support within the SPP framework to maximize RTO value. Following Storm Elliot, Liberty collaborated closely with SPP staff to establish criteria for assessing winter weather impacts in the southwest Missouri area and documenting the effects on Liberty's customers during extreme weather events. As part of the 2024 ITP study structure, Liberty is optimistic about project identification through three avenues: the Elliot Winter Weather study, the focus area study (encompassing SE KS / SW MO / NW Arkansas), and the annual ITP study (2024). The Company

is hopeful that these avenues will not only benefit Liberty's customers but also contribute to the future resilience of the SPP southeast seam. At present, Liberty has actively participated in the detailed project proposal process, and the Company eagerly awaits the outcome of project identification to potentially realize the value of RTO membership.

13. At this time, Liberty requests an order of the Commission granting this Motion for Continuation of Conditional Approval and extending the interim and conditional approval of Liberty's membership in SPP by one year, to August 1, 2025.

14. This additional one year extension of the interim approval will allow for the conclusion of the ITP 2024 and allow more time for a complete picture to be developed with respect to possible transmission investment in the SPP southeastern seam that would provide benefit to Liberty's customers and customers of other electric providers in the southwest portions of Missouri.

WHEREFORE, Liberty requests a one-year extension of the Commission's interim and conditional approval of Liberty's membership in the SPP. Liberty requests such additional relief as is just and proper under the circumstances.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 16th day of April, 2024, with notification of the same being sent to all counsel of record.

/s/ Diana C. Carter