

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

In the Matter of The Empire District Electric )  
Company d/b/a Liberty (Empire) for Authority )  
to Implement Rate Adjustments Related to ) **File No. ER-2024-0274**  
the Company’s Fuel and Purchase Power ) Tariff No. JE-2024-0134  
Adjustment (FAC) Required in )  
20 CSR 4240-20.090 )

In the Matter of The Empire District Electric )  
Company d/b/a Liberty (Empire) ) **File No. EO-2024-0276**  
Fuel Adjustment Clause (FAC) True-Up )

**STAFF RECOMMENDATION**

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

1. On April 1, 2024, in Case No. ER-2024-0274, The Empire District Electric Company d/b/a Liberty (hereafter referred to as “Liberty” or “Company”) submitted the direct testimony of Liberty witness Monica K. Gloodt and a proposed tariff sheet, P.S.C. Mo. No. 6 Section 4 8th Revised Sheet No. 17q, Canceling P.S.C. Mo. No. 6 Section 4 7th Revised Sheet No. 17q, to revise the Current Period Fuel Adjustment Rates (“FARs”)<sup>1</sup> of its Fuel Adjustment Clause (“FAC”). The submitted tariff bears an effective date of June 1, 2024. The Commission assigned the tariff sheet to Tariff Tracking No. JE-2024-0134.

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<sup>1</sup> Accumulation Period 31 (“AP31”).

2. Also, on April 1, 2024, Liberty submitted its twenty-ninth true-up filing in File No. EO-2024-0276 to identify the net fuel costs it over or under collected from customers during Recovery Period 29 (“RP29”).<sup>2</sup>

3. On April 2, 2024, the Commission ordered Staff to examine and analyze Liberty’s filings in these cases, and to file its recommendation no later than May 1, 2024, as required by Rule 20 CSR 4240-20.090(8), and (9). The Commission also set an intervention deadline of April 16, 2024, for any party wishing to intervene in these matters. No parties filed to intervene.

### **Fuel and Purchase Power Adjustment**

4. Staff’s *Memorandum* concerning File No. ER-2024-0274, attached hereto as **Appendix A** and incorporated by reference, recommends the Commission issue an order approving the following proposed tariff sheet filed by Liberty to become effective on June 1, 2024, subject to true-up and prudence reviews:

#### **P.S.C. Mo. No. 6 Section 4**

8th Revised Sheet No. 17q Cancelling 7th Revised Sheet No. 17q

5. The Fuel and Purchased Power Adjustment (“FPA”) amount in File No. ER-2024-0274 represents an under-recovery of \$17,760,433, as shown on line 12 of the 8th Revised Sheet. No. 17q. The proposed changes to Liberty’s FAR will result in an increase to the typical Liberty residential customer’s Fuel Adjustment Charge (based on 1,000 kWh) from \$7.27 to \$8.11, for an increase of \$0.84.

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<sup>2</sup> Billing periods June 1, 2023, through November 30, 2023.

6. Staff's review shows that Liberty's filing is in compliance with Commission Rule 20 CSR 4240-20.090 and Section 386.266 RSMo, and Liberty's FAC embodied in its tariff.

### **FAC True-Up**

7. Staff's *Memorandum* concerning File No. ER-2024-0276, attached hereto as **Appendix B** and incorporated herein by reference, recommends the Commission approve Liberty's RP29 true-up filing for the billing months June 1, 2023, through November 30, 2023, during which Liberty over-collected \$2,010,080 from its customers.

8. The over-collected amount of \$2,010,080 for RP29 is included in the preliminary calculation of the FPA amount included in Liberty's AP31 adjustment filing in File No. ER-2024-0274, which Liberty filed in compliance with its FAC.

9. Staff examined and analyzed the direct testimony of Liberty witness Monica K. Gloodt, the supporting schedules and work papers Liberty provided in these cases, as well as the monthly information Liberty filed with the Commission. Staff reviewed and agrees with Liberty's monthly interest calculations for the FAR and RP29.

10. Staff verified that Liberty has filed its 2022 annual report<sup>3</sup> and is not delinquent on any assessment. Liberty is current on its submission of its Surveillance Monitoring reports as required in 20 CSR 4240-20.090(6), and its periodic monthly reports as required by 20 CSR 4240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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<sup>3</sup> On February 13, 2024, Liberty requested an extension of its 2023 annual report. Liberty's 2023 annual report is now due May, 15, 2024

**WHEREFORE**, Staff recommends the Commission issue an order approving the P.S.C. Mo. No. 6 Section 4 8th Revised Sheet No. 17q Canceling 7th Revised Sheet No. 17q, to become effective on June 1, 2024, and approve Liberty's RP29 true-up filing for the billing months June 1, 2023, through November 30, 2023, during which Liberty over-collected \$2,010,080 from its customers.

Respectfully Submitted,

**/s/ Ron Irving**

Ron Irving

Senior Counsel

Missouri Bar No. 56147

Attorney for the Staff of the

Missouri Public Service Commission

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(573) 751-9285 (Fax)

[ron.irving@psc.mo.gov](mailto:ron.irving@psc.mo.gov)

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record this 30<sup>th</sup> day of April, 2024.

**/s/ Ron Irving**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2024-0274, Tariff Tracking No. JE-2024-0134  
The Empire District Electric Company, d/b/a Liberty (Empire)

FROM: Amanda Conner, Senior Utility Regulatory Auditor

DATE: /s/ Amanda C. Conner April 30, /2024  
Energy Resources Department / Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates  
Related to The Empire District Electric Company, d/b/a Liberty (Empire)  
Fuel Adjustment Clause

DATE: April 30, 2024

### Summary and Staff Recommendation

On April 1, 2024, The Empire District Electric Company d/b/a Liberty (hereafter “Liberty” or “Company”) filed one (1) proposed tariff sheet, 8th Revised Sheet No. 17q, Canceling 7th Revised Sheet No. 17q, bearing a proposed effective date of June 1, 2024, to revise the Current Period Fuel Adjustment Rates<sup>1</sup> (“FARs”) of its Fuel Adjustment Clause (“FAC”) used to determine the Fuel Adjustment Charge<sup>2</sup> on customers’ bills. Liberty also filed direct testimony of its witness Monica K. Gloodt on April 1, 2024, and submitted to Commission Staff (“Staff”) work papers in support of the proposed tariff sheet. The Commission assigned the tariff sheet to Tariff Tracking No. JE-2024-0134.

### Liberty’s AP31 FARs

The testimony and work papers include information that supports Liberty’s calculation of the dollar amount<sup>3</sup> used to calculate the FARs for Accumulation Period 31 (“AP31”). That dollar amount is \$17,760,433 and results from:

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<sup>1</sup> The Current Period FARs for service at primary voltage and above and for service at secondary voltage are located on lines 15 and 16, respectively, of proposed 8th Revised Sheet No. 17q.

<sup>2</sup> The actual line item on the customer’s bill is: Fuel Charge.

<sup>3</sup> The dollar amount used to calculate the Current Period FAR is called the Fuel and Purchased Power Adjustment (“FPA”) which is located on Line 12 of proposed 8th Revised Sheet No. 17q.

1. The amount of \$19,214,115, found on Line 7 of 8th Revised Sheet No. 17q, which is equal to 95% of the difference between: a) Liberty's Missouri jurisdiction<sup>4</sup> actual fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenue<sup>5</sup> and less renewable energy credits ("REC") revenue and b) Liberty's Missouri jurisdiction net base energy cost<sup>6</sup> during AP31; plus
2. The true-up amount of \$(2,010,080)<sup>7</sup> which is the over-recovery amount of the FARs for Recovery Period 29 ("RP29"), found on Line 9 of 8th Revised Sheet No. 17q; plus
3. The interest for AP31, including over/under cumulative recovery balances from AP29 and AP30, all equal to \$556,397, found on Line 11 of 8th Revised Sheet No. 17q.

The Current Period FAR of \$.00763 per kWh (Line 14 of 8th Revised Sheet No. 17q) is equal to the FPA Amount of \$17,760,433 divided by the forecasted Missouri net system input ("NSI") for RP31 of 2,327,319,265 kWh, found on Line 13 of 8th Revised Sheet No. 17q.

Because of a difference in line losses, there are different FARs for service taken at primary and secondary voltage level. When accounting for line losses for the different voltage levels, the proposed FARs are \$.00796 per kWh for customers receiving service at primary voltage level, and \$.00811 per kWh for customers receiving service at secondary voltage level. Liberty's present FARs are \$.00714 per kWh for customers receiving service at primary voltage level, and \$.00727 per kWh for customers receiving service at secondary voltage level.<sup>8</sup>

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<sup>4</sup> For AP31, J is equal to 88.34% as reflected on line 4 of 8th Revised Sheet No. 17q. The 88.34% J factor is derived from dividing total Missouri Retail kWh Sales for this accumulation period by the Total System kWh Sales for this accumulation period. As explained in footnote 2 of the current tariff, Liberty calculates (TEC-B)\*J on a monthly basis, and Line 5 is the sum of each month's calculation. For this reason, the calculation of the total energy cost minus the net base energy cost (line 3) multiplied by the Missouri Energy Factor (line 4) does not equal the amount entered on line 5. Line 3 multiplied by line 4 equals \$20,163,781.

<sup>5</sup> For AP31, this amount is \$44,959,460 as reflected on line 1 of 8th Revised Sheet No. 17q.

<sup>6</sup> For AP31, this amount is \$22,134,262 as reflected on line 2 of 8th Revised Sheet No. 17q.

<sup>7</sup> Liberty's RP29 true-up filing is contained in File No. EO-2024-0276.

<sup>8</sup> Lines 15 and 16 of 8th Revised Sheet No. 17q.

| Fuel Adjustment Rates (\$ Per kWh) |           |           |                    |
|------------------------------------|-----------|-----------|--------------------|
| Service Voltage Level              | Present   | Proposed  | Difference         |
| Primary                            | \$0.00714 | \$0.00796 | \$0.00082 Increase |
| Secondary                          | \$0.00727 | \$0.00811 | \$0.00084 Increase |

Based on a monthly usage of 1,000 kWh, the proposed change to the FAR will increase the Fuel Adjustment Charge of an Liberty residential customer’s bill from \$7.27 to \$8.11, an increase in the customer’s bill of \$0.84 per month. The accumulation periods, recovery periods, and other specifications of Liberty’s existing FAC are set out in its currently effective tariff sheets.

On page 7, Lines 7 -11 of her filed testimony, Company witness Monica K. Gloodt describes the reasons for the decrease in the FAR’s rates:

The actual average energy cost eligible for the FAC was \$17.67/MWh. This was roughly two times or 103.12% greater than the average FAC base factor of \$8.70/MWh. However, the actual total FAC eligible energy cost per MWh was relatively close to the Company’s 2023 budget for the period. The actual cost eligible for the FAC was about 0.01% lower than the \$17.67/MWh budgeted level.

**Staff Review**

Staff reviewed Liberty’s proposed 8th Revised Sheet No. 17q, Canceling 7th Revised Sheet No. 17q, the direct testimony of Liberty witness Monica K. Gloodt filed on April 1, 2024, and Liberty’s monthly filings and work papers for AP31. Staff verified that the actual fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenues and less REC revenues, match the fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenues and less REC revenues in Liberty’s proposed 8<sup>th</sup> Revised Sheet No. 17q, Canceling 7th Revised Sheet No. 17q. Staff also reviewed Liberty’s monthly interest rates that are applied to the monthly over- and under-recovery amounts for AP31, including cumulative amounts for AP30 and AP29, and the calculation of the monthly interest amounts. The information filed with the tariff sheet and work papers includes sufficient data to calculate the FARs for AP31.

### **Staff Recommendation**

Liberty filed the 8th Revised Sheet No. 17q, Canceling 7th Revised Sheet No. 17q, and based on Staff's review, Staff has determined that the adjustment is in compliance with Commission Rule 20 CSR 4240-20.090, Section 386.266 RSMo, and Liberty's FAC embodied in its tariff.

Commission Rule 20 CSR 4240-20.090(8)(H) provides in part:

(H) Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either—

1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs;
2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order; or
3. If it determines the adjustment to the FARs is not in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding, reject the proposed rate sheets, suspend the timeline of the FAR adjustment filing, set a prehearing date, and order the parties to propose a procedural schedule. The commission may order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question.

Liberty has requested that the 8th Revised Sheet No. 17q, canceling 7th Revised Sheet No. 17q, filed on April 1, 2024, become effective on June 1, 2024. Thus, the tariff sheet was filed with sixty (60) days' notice.

Based on its examination and analysis of the information Liberty filed and submitted in this case, Staff recommends the Commission issue an order approving the following proposed tariff sheet, to become effective on June 1, 2024, as requested by Liberty, subject to both true-up and prudence reviews:

**P.S.C. Mo. No. 6 Section 4**

8th Revised Sheet No. 17q Cancelling 7th Revised Sheet No. 17q.



Staff's recommendation for approval of the Current Period FARs in this case is solely based on the accuracy of Liberty's calculations, and is not indicative of the prudence of the fuel costs during AP31.

Staff has verified that Liberty has filed its 2022 annual report<sup>9</sup>, and is not delinquent on any assessment. Liberty is current on its submission of its surveillance monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5).

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<sup>9</sup> On February 13, 2024, Liberty requested an extension of its 2023 annual report. Liberty's 2023 annual report is now due May, 15, 2024

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

|   |   |                                |
|---|---|--------------------------------|
| In the Matter of the of The Empire District | ) |                                |
| Electric Company d/b/a Liberty (Empire)     | ) | <u>File No. ER-2024-0274</u>   |
| for Authority to Implement Rate             | ) | <u>Tariff No. JE-2024-0134</u> |
| Adjustments Related to the Company's Fuel   | ) |                                |
| and Purchase Power Adjustment (FAC)         | ) |                                |
| Required in 20 CSR 4240-20.090              | ) |                                |

**AFFIDAVIT OF AMANDA CONNER**

STATE OF MISSOURI    )  
                                   )    ss.  
 COUNTY OF COLE        )

**COMES NOW AMANDA CONNER** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
 \_\_\_\_\_  
 AMANDA CONNER

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of April, 2024.

|   |
|---|
| DIANNA L. VAUGHT<br>Notary Public - Notary Seal<br>State of Missouri<br>Commissioned for Cole County<br>My Commission Expires: July 18, 2027<br>Commission Number: 15207377 |
|---|

  
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 Notary Public

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
File No. EO-2024-0276  
The Empire District Electric Company, d/b/a Liberty (Empire)

**FROM:** Amanda Conner, Senior Utility Regulatory Auditor

**DATE:** /s/ Amanda C. Conner April 30, 2024  
Energy Resources Department / Date

**SUBJECT:** Staff's Analysis of and Recommendation Concerning The Empire District Electric Company d/b/a Liberty (Empire) Twenty-Ninth Fuel Adjustment Clause True-up Filing Under the Provisions in 20 CSR 4240-20.090(9).

**DATE:** April 30, 2024

On April 1, 2024, The Empire District Electric Company d/b/a Liberty (hereafter "Liberty" or "Company") filed with the Missouri Public Service Commission ("Commission"), in the form of direct testimony and supporting schedules of Liberty witness Monica K. Gloodt, its twenty-ninth true-up filing under the provisions of 20 CSR 4240-20.090(9).

Accumulation Period 29 ("AP29") includes the time period September 1, 2022, through February 28, 2023, and is followed by Recovery Period 29 ("RP29"), which includes the billing months of June 1, 2023, through November 30, 2023. The true-up amount of \$(2,010,080) identified in this filing is the result of an over-collection of the Fuel and Purchased Power Adjustment ("FPA") amount for AP29 during RP29.

The true-up amount of \$(2,010,080) for RP29 is included in the preliminary calculation of the Fuel and Purchased Power ("FPA") amount included in Liberty's Accumulation Period 31 ("AP31") adjustment filing, also filed on April 1, 2024, in File No. ER-2024-0274, which Liberty filed in compliance with its FAC.<sup>1</sup>

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<sup>1</sup> The Empire District Electric Company's P.S.C. Mo. No. 6, Section 4, 1st Revised Sheet No. 17p tariff sheet:

TRUE-UP OF FPA: In conjunction with an adjustment to its FAR, the Company will make a true-up filing with an adjustment to its FAC on the first Filing Date that occurs after completion of each Recovery Period. The true-up adjustment shall be the difference between the FPA revenues billed and the FPA revenues authorized for collection during the true-up recovery period, i.e. the true-up adjustment. Any true-up adjustments or refunds shall be reflected in item T above and shall include interest calculated as provided for in item I above.

The Commission Staff (“Staff”) examined the direct testimony of Liberty witness Monica K. Gloodt, the supporting schedules and work papers Liberty provided with its true-up filing in this case, and the monthly information Liberty has submitted to the Commission. Staff also reviewed and agrees with Liberty’s monthly interest calculations for RP29.

Based on its examination and analysis of information Liberty filed and submitted in this case, Staff recommends the Commission approve Liberty’s RP29 true-up filing for the billing months June 1, 2023, through November 30, 2023, during which Liberty over-collected \$2,010,080 from its customers for inclusion in the calculation of the FPA amount in Liberty’s AP31 adjustment filing in File No. ER-2024-0274

Staff has verified that Liberty has filed its 2022 annual report<sup>2</sup>, and is not delinquent on any assessment. Liberty is current on its submission of its surveillance monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except as noted herein.

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<sup>2</sup> On February 13, 2024, Liberty requested an extension of its 2023 annual report. Liberty’s 2023 annual report is now due May,15, 2024

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

In the Matter of the of The Empire District     )  
Electric Company d/b/a Liberty (Empire)     )     File No. EO-2024-0276  
Fuel Adjustment Clause (FAC) True-Up     )

**AFFIDAVIT OF AMANDA CONNER**

STATE OF MISSOURI     )  
   )     ss.  
COUNTY OF COLE     )

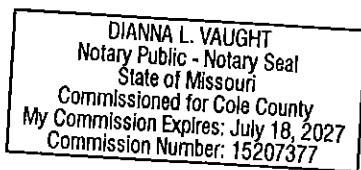
**COMES NOW AMANDA CONNER** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

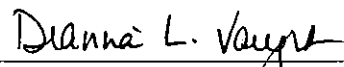
Further the Affiant sayeth not.

  
\_\_\_\_\_  
AMANDA CONNER

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 29th day of April, 2024.



  
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Notary Public