

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

In the Matter of The Empire District Electric )	
Company d/b/a Liberty’s Demand Side )	<b><u>File No. EO-2025-0046</u></b>
Investment Mechanism Rider Rate )	Tracking No. JE-2025-0016
Adjustment and True-Up required by )	
20 CSR 4240-20.093(4) )	

**STAFF RECOMMENDATION**

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

1. On August 2, 2024, The Empire District Electric Company d/b/a Liberty (“Liberty”) filed supporting testimony and tariff sheets to true-up its Demand-Side Investment Mechanism (“DSIM”) rate. Those tariff sheets bear an effective date of October 1, 2024.

2. The Commission issued notice of the filing on August 5, 2024, ordering requests for intervention be filed by August 20, 2024, and for Staff to file its recommendation regarding Liberty’s filing by August 30, 2024. No requests for intervention were filed.

3. After discussions between Liberty and Staff, Liberty filed a substitute tariff and correction to the direct testimony of Kim Dragoo on August 28, 2024, in EFIS adjusting the DSIM rate. Staff subsequently requested, and was granted, an extension to file its recommendation no later than September 13, 2024.

4. Liberty filed another substitute tariff adjusting the Net Program Cost (“NPC” and the Net Throughput Disincentive (“NTD”) rates on September 11, 2024.

5. Per Commission Rule 20 CSR 4240-20.093(4), Liberty is required to adjust its DSIM rates no less than annually to reflect the amount of revenue that has been over/under collected. As detailed more thoroughly in Staff's Memorandum, attached and incorporated herein as Appendix A, the proposed tariff changes will result in a monthly bill increase of approximately \$0.31 for customers under Liberty's DSIM residential service charge, \$1.91 for customers under Liberty's DSIM Small Commercial and Industrial charge, and \$38.96 for customers under Liberty's DSIM Large Commercial and Industrial charge.

6. Staff has reviewed the filed tariff sheets and supporting testimony, recommends the Commission approve the following tariff sheets, as substituted on September 11, 2024, bearing an effective date of October 1, 2024:

P.S.C. MO. No. 6 Section 4

Fifth Revised Sheet No. 21f cancelling Fourth Revised Sheet No. 21f

Fourth Revised Sheet No. 27e cancelling Third Revised Sheet No. 27e

**WHEREFORE**, Staff respectfully requests the Commission issue an order approving the tariff sheets mentioned herein, and any other relief deemed just and necessary under the circumstances.

Respectfully submitted,

**/s/ Travis J. Pringle**

Travis J. Pringle

Chief Deputy Counsel

Missouri Bar No. 71128

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Missouri Public Service Commission

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served, either electronically, by hand delivery, or by First Class United States Mail, postage prepaid, on this 13<sup>th</sup> day of September, 2024, to all counsel and/or parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

**/s/ Travis J. Pringle**

## MEMORANDUM

**TO:** Missouri Public Service Commission Official Case File  
Case No. EO-2025-0046, Tariff Tracking No. JE-2025-0016

**FROM:** Marina Stever, Senior Research/Data Analyst  
Obianuju Ezenwanne, Economist

/s/ Marina Stever                      9/13/2024  
Senior Research/Data Analyst / Date

**SUBJECT:** Staff Recommendation To Approve Empire District Electric Company d/b/a Liberty's Proposed Tariff Sheet(s) for its Demand Side Investment Mechanism Rider Rate Adjustment.

**DATE:** September 13, 2024

### LIBERTY FILING

On August 2, 2024, Liberty filed two tariff sheets to be effective on and after October 1, 2024. The tariff changes adjust the Missouri Energy Efficiency Investment Act ("MEEIA") Demand Side Investment Mechanism ("DSIM") Rider rates and modifies the Residential Heating, Ventilation, and Air Conditioning ("HVAC") Rebate. Liberty's filing also included the Direct Testimony of Kimberly Dragoo. As filed, Liberty's overall DSIM will collect approximately \$5.39 million.

On August 5, 2024, the Commission issued its *Order Directing Notice, Establishing Intervention Date, and Directing Filing of Staff Recommendation*, directing Staff to file its recommendation no later than August 30, 2024.

On August 28, 2024, Liberty filed a substitute tariff sheet adjusting the Total DSIM Rate (\$/kWh). On August 29, 2024, the Commission issued its *Order Granting Extension to File Staff Recommendation and Granting Variance* directing Staff to file its recommendation no later than September 13, 2024. On September 11, 2024, Liberty filed a substitute tariff sheet adjusting the Net Program Cost ("NPC") rate and the Net Throughput Disincentive ("NTD") rate.

### STAFF REVIEW

Liberty proposes four updates to its HVAC Rebate Program:

1. The rebate range would be \$100 to \$750, an increase from \$100 to \$550;
2. Adjusting the minimum equipment standard to a SEER2 15 or higher;
3. Shifting the rating for all rebates to SEER2; and
4. Shifting from a per unit to a per ton basis for the 2024 program year ("PY").

The modification to the rebate range aligns with rebates offered by other Missouri utilities. Adjusting the minimum equipment standard to a SEER2 15 or higher aligns with appliance standards that went into effect January 1, 2023. Shifting the rating for all rebates to SEER2 also aligns with industry standards for efficiency ratings that went into effect January 1, 2023. Shifting from a per unit to a per ton basis for PY 2024 aligns with the methodology in place at other Missouri utilities. For these reasons, Staff does not oppose these changes.

Per 20 CSR 4240-20.093(4), Liberty is required to adjust its DSIM rates no less often than annually to reflect the amount of revenue that has been over/under collected. The current MEEIA mechanism rate per class of customer is collected through a line item on current bills based on an annual level of projected costs and incentives with reconciliations from actual prior periods and any ordered adjustments with interest. Liberty’s MEEIA Cycle 1 was approved December 2022 in Case No. EO-2022-0078 and later adjusted the DSIM Rider Rates within the same case in May 2023.

The table below provides a summary of the cumulative actual throughput disincentive and actual program costs from 2022-2023. The average cost per estimated kWh Avoided is calculated using the cumulative realized savings (kWh) from 2022-2023:

	MEEIA Cycle 1 through Dec 2023
Program Cost	\$ 4,875,576
Throughput Disincentive	\$ 825,840
Earnings Opportunity	\$ -
Total	\$ 5,701,416
Estimated kWh Avoided	13,758,246
Avg Cost per Estimated kWh Avoided	\$0.41

Listed below are the current MEEIA rates and the new MEEIA rates for the proposed DSIM Rider. The proposed DSIM Rider rate changes are applicable to all non-lighting kilowatt hours (kWh) of energy supplied to customers under Liberty’s retail rates schedules, excluding kWh of energy supplied to “opt-out” customers.

Rate Schedule	Typical Liberty Monthly Use (kWh)	Current DSIM Charge	Customer Bill Current DSIM Charge	Proposed DSIM Charge	Customer Bill Proposed DSIM Charge	DSIM Charge Increase/(Decrease)	Monthly Incr/(Decr) to Customer Bill Based on Typical Use
Residential Service	1,073	\$0.00051	\$0.55	\$0.00080	\$0.86	\$0.00029	\$0.31
Small C & I	1,543	\$0.00065	\$1.00	\$0.00189	\$2.92	\$0.00124	\$1.91
Large C & I	31,421	\$0.00065	\$20.42	\$0.00189	\$59.39	\$0.00124	\$38.96

**STAFF RECOMMENDATION**

Staff has reviewed the filed tariff sheets. Staff recommends the Commission issue an order approving the following tariff sheet, as submitted on September 11, 2024, for service on and after October 1, 2024, the requested effective date:

P.S.C. MO. No. 6 Section 4  
 Fifth Revised Sheet No. 21f cancelling the Fourth Revised Sheet No. 21f; and

Staff recommends the Commission issue an order approving the following tariff sheet, as filed on August 2, 2024, for service on and after October 1, 2024, the requested effect date:

P.S.C. MO. No. 6 Section 4  
 Fourth Revised Sheet No. 27e canceling the Third Revised Sheet No. 27e

Staff has verified that Liberty is not delinquent on any assessment and has filed its Annual Report. Staff is not aware of any other matter before the Commission that affects or is affected by this filing. Staff’s recommendation for approval of the DSIM Rider rate changes in this case are solely based on the accuracy of Liberty’s calculations and is not indicative of prudence.

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Investment Mechanism Rider Rate	)	
Adjustment and True-Up Required by	)	
20 CSR 4240-20.094(4)	)	

**AFFIDAVIT OF OBIANUJU S. EZENWANNE**

STATE OF MISSOURI     )  
   )  
 COUNTY OF COLE        )     ss.

**COMES NOW, OBIANUJU E. EZENWANNE**, 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.

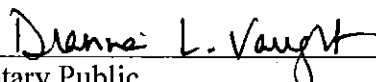
Further the Affiant sayeth not.

  
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**OBIANUJU S. EZENWANNE**

**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 12<sup>th</sup> day of September 2024.

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

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20 CSR 4240-20.094(4)	)	

**AFFIDAVIT OF MARINA STEVER**

STATE OF MISSOURI     )  
  )  
COUNTY OF COLE     )     ss.

**COMES NOW MARINA STEVER** 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.

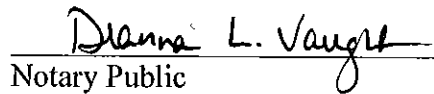
Further the Affiant sayeth not.

  
\_\_\_\_\_ **MARINA STEVER**

**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 12<sup>th</sup> day of September 2024.

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