

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-2025-_____
Date Testimony Prepared: October 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

October 1, 2024



FAC TRUE-UP DIRECT TESTIMONY OF MONICA K. GLOODT
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. EO-2025-_____

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

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

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

5 A. I am employed by Liberty Utilities Services Corp. (“LUSC”), and I serve as an Analyst
6 in the Rates and Regulatory Affairs Department for Liberty’s Central Region, which
7 includes The Empire District Electric Company d/b/a Liberty (“Liberty” or
8 “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 EO-2024-0119, ER-2024-0274, and EO-2024-0276. I have also submitted Direct
17 Testimony before the Arkansas Public Service Commission in Docket Nos. 18-054-
18 TF,18-055-TF, 13-111-U, 16-053-U, and 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 is

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

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

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

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

1 A. In this instance, Liberty is seeking a decrease in its FAC rates to reflect 95% of the
2 difference between the base energy costs built into its base Missouri rates and Liberty's
3 actual Missouri energy costs for the Accumulation Period plus a true-up of the costs
4 recovered during the Recovery Period ending May 31, 2024. This true-up adjustment
5 is a component of the FAC rates which will be reflected on the Missouri customers'
6 bills over the six-month Recovery Period from December 2024 through May 2025.

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

8 A. The Accumulation Period for the true-up portion of the FAC rate was from March 1,
9 2023, through August 31, 2023. The Recovery Period for that Accumulation Period
10 was December 1, 2023, through May 31, 2024.

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

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

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

19 A. The FAC was under-collected by \$462,330. As indicated above, the true-up amount
20 during the Recovery Period is due to the difference between actual and estimated kWh
21 sales. The estimated kWh's for recovery period were 2,322,770,266 and the actual kWh
22 were 2,311,183,214. The true-up amount is the net difference between the FPA
23 revenues billed and the FPA revenues authorized for collection during the true-up

1 recovery period. **Direct Schedule MKG-1**, which is attached to this testimony,
2 contains details of the calculations that produce the amount to be returned to customers.

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

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

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

8 A. Yes.

VERIFICATION

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

/s/ Monica K. Gloodt