

**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 the	)	<b><u>File No. ER-2025-0125</u></b>
Company’s Fuel and Purchase Power Adjustment	)	Tariff No. JE-2025-0046
(FAC) Required in 20 CSR 4240-20.090(8)	)	

**STAFF TARIFF SHEET RECOMMENDATION**

**COMES NOW**, the Staff of the Missouri Public Service Commission (“Staff”) and for its Staff Recommendation for Approval of Tariff Sheet respectfully states:

1. On October 1, 2024,<sup>1</sup> Empire District Electric Company, d/b/a Liberty (“Liberty” or “Company”) filed one tariff sheet in ER-2025-0125 revising its Current Period Fuel Adjustment Rates (“FARs”) of its Fuel Adjustment Clause (“FAC”) for Accumulation Period 32 (“AP32”). The tariff sheet bore an issue date of October 1 and an effective date of December 1. The tariff sheet is identified as:

P.S.C. Mo. No.	6	Sec. 4	9th	Revised Sheet No.	17q
Canceling P.S.C. Mo. No.	6	Sec. 4	8th	Revised Sheet No.	17q

2. Concurrently on October 1, Liberty filed the testimony of Monica K. Gloodt. Her testimony was tendered to support Liberty’s proposed tariff sheet. Liberty’s testimony and work papers provided information to support its calculation of the dollar amount used to calculate the FARs for AP32. Staff’s Memorandum, Appendix 1, incorporated herein by reference and summarized below, explains that calculation in detail.

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<sup>1</sup> Unless otherwise indicated, all date references will be to 2024.

3. The Commission ordered Staff to examine and analyze the Company's filings in this case, and file its recommendation regarding its examination and analysis of Liberty's tariff filing no later than October 31, 2024.

4. Staff recommends the Commission issue an order approving the revised tariff sheet taking effect on December 1, 2024.

5. Commission Rule 20 CSR 4240-20.090(8) states: "An electric utility that has a FAC shall file proposed tariff sheet(s) to adjust its FARs following each accumulation period." The rule requires Staff to "determine if the proposed adjustment to the FARs is in accordance with the provisions of this rule, Section 386.266, RSMo, and the FAC mechanism established, continued, or modified in the utility's most recent general rate proceeding."

6. If so, "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..." the commission may reject the proposed rate sheets, suspend the timeline, set a prehearing date, and order the parties to propose a procedural schedule.

7. As explained in detail in Appendix A, the FPA amount, subject to prudence review, is \$7,274,445 for AP32. Liberty's work papers and 9th Revised Sheet No. 17q show the FPA amount to be the sum of:

- a. The amount of \$6,313,133, found on Line 7 of 9th Revised Sheet No. 17q, which is equal to 95% of the difference between:

a) Liberty's Missouri jurisdiction<sup>2</sup> actual fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenue<sup>3</sup> and less renewable energy credits ("REC") revenue and b) Liberty's Missouri jurisdiction net base energy cost<sup>4</sup> during AP32; plus

b. The true-up amount of \$462,330<sup>5</sup> which is the under-recovery amount of the FARs for Recovery Period 30 ("RP30"), found on Line 9 of 9th Revised Sheet No. 17q; plus

c. The interest for AP32, including over/under cumulative recovery balances from AP30 and AP31, all equal to \$498,983, found on Line 11 of 9th Revised Sheet No. 17q.

8. The Current Period FAR of \$0.00322 per kWh (Line 14 of 9th Revised Sheet No. 17q) is equal to the FPA Amount of \$7,274,445 divided by the forecasted Missouri net system input ("NSI") for RP32 of 2,260,630,495 kWh (Line 13 of 9th Revised Sheet No. 17q).

9. Staff's memo explains the different FARs for service taken at primary and secondary voltage levels. There are different FARs because of a difference in line losses. When accounting for line losses for the different voltage levels, the proposed FARs are \$0.00336 per kWh for customers receiving service at primary voltage level, and \$0.00342

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<sup>2</sup> For AP32, J is equal to 87.92% as reflected on line 4 of 9th Revised Sheet No. 17q. The 87.92% 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 \$6,672,751.

<sup>3</sup> For AP32, this amount is \$30,001,136 as reflected on line 1 of 9th Revised Sheet No. 17q.

<sup>4</sup> For AP32, this amount is \$22,411,565 as reflected on line 2 of 9th Revised Sheet No. 17q.

<sup>5</sup> Liberty's RP30 true-up filing is contained in File No. EO-2025-0126.

per kWh for customers receiving service at secondary voltage level. Liberty's present 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.<sup>6</sup> Based on a monthly usage of 1,000 kWh, the proposed change to the FAR will decrease the Fuel Adjustment Charge of a Liberty residential customer's bill from \$8.11 to \$3.42, a decrease in the customer's bill of \$4.69 per month.

10. After reviewing the Company's filings, including the testimony of Monica K. Gloodt, Staff has 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 9th Revised Sheet No. 17q, Canceling 8th Revised Sheet No. 17q. Staff also reviewed Liberty's monthly interest rates that are applied to the monthly over- and under-recovery amounts for AP32, including cumulative amounts for AP31 and AP30, 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 AP32.

11. Staff has verified that Liberty is not delinquent on any assessment and has filed its 2023 Annual Report. Liberty is current on its submission of its Surveillance Monitoring reports, required by 20 CSR 4240-20.090(6), and its monthly reports, 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 File No. EO-2025-0126, as noted herein.

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<sup>6</sup> Lines 15 and 16 of 9th Revised Sheet No. 17q.

12. 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 AP32. Staff recommends the Commission issue an order approving the following proposed tariff sheet, as filed on October 1, 2024, to become effective on December 1, 2024, subject to true-up and prudence reviews:

P.S.C. Mo. No.	6	Sec. 4	9th	Revised Sheet No.	17q
Canceling P.S.C. Mo. No.	6	Sec. 4	8th	Revised Sheet No.	17q

Respectively Submitted,

/s/ Paul T. Graham

Paul T. Graham #30416

Senior Staff Counsel

P.O. Box 360

Jefferson City, Mo 65102-0360

(573) 522-8459

[Paul.graham@psc.mo.gov](mailto:Paul.graham@psc.mo.gov)

Attorney for the Staff of the  
Missouri Public Service Commission

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record as reflected on the certified service list maintained by the Commission in its Electronic Filing Information System this October 30, 2024.

/s/ Paul T. Graham

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
File No. ER-2025-0125, Tariff Tracking No. JE-2025-0046  
The Empire District Electric Company, d/b/a Liberty (Empire)

FROM: Stacy Henderson, Senior Utility Regulatory Auditor

DATE: /s/ Stacy Henderson      October 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: October 30, 2024

### **Summary and Staff Recommendation**

On October 1, 2024, The Empire District Electric Company d/b/a Liberty (hereafter “Liberty” or “Company”) filed one (1) proposed tariff sheet, 9th Revised Sheet No. 17q, Canceling 8th Revised Sheet No. 17q, bearing a proposed effective date of December 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 October 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-2025-0046.

### **Liberty’s AP32 FARs**

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 32 (“AP32”). That dollar amount is \$7,274,445 and results from:

1. The amount of \$6,313,133, found on Line 7 of 9th Revised Sheet No. 17q, which is equal to 95% of the difference between: a) Liberty’s Missouri jurisdiction<sup>4</sup>

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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 9th 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 9th Revised Sheet No. 17q.

<sup>4</sup> For AP32, J is equal to 87.92% as reflected on line 4 of 9th Revised Sheet No. 17q. The 87.92% 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,

- 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 AP32; plus
2. The true-up amount of \$462,330<sup>7</sup> which is the under-recovery amount of the FARs for Recovery Period 30 (“RP30”), found on Line 9 of 9th Revised Sheet No. 17q; plus
  3. The interest for AP32, including over/under cumulative recovery balances from AP30 and AP31, all equal to \$498,983, found on Line 11 of 9th Revised Sheet No. 17q.

The Current Period FAR of \$0.00322 per Kilowatt hour (kWh) (Line 14 of 9th Revised Sheet No. 17q) is equal to the FPA Amount of \$7,274,445 divided by the forecasted Missouri net system input (“NSI”) for RP32 of 2,260,630,495 kWh ( Line 13 of 9th Revised Sheet No. 17q).

Because of a difference in line losses, there are different FARs for service taken at primary and secondary voltage levels. When accounting for line losses for the different voltage levels, the proposed FARs are \$0.00336 per kWh for customers receiving service at primary voltage level, and \$0.00342 per kWh for customers receiving service at secondary voltage level. Liberty’s present 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.<sup>8</sup>

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Primary	\$0.00796	\$0.00336	\$0.00460 Decrease
Secondary	\$0.00811	\$0.00342	\$0.00469 Decrease

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 \$6,672,751.

<sup>5</sup> For AP32, this amount is \$30,001,136 as reflected on line 1 of 9th Revised Sheet No. 17q.

<sup>6</sup> For AP32, this amount is \$22,411,565 as reflected on line 2 of 9th Revised Sheet No. 17q.

<sup>7</sup> Liberty’s RP30 true-up filing is contained in File No. EO-2025-0126.

<sup>8</sup> Lines 15 and 16 of 9th Revised Sheet No. 17q.

Based on a monthly usage of 1,000 kWh, the proposed change to the FAR will decrease the Fuel Adjustment Charge of a Liberty residential customer's bill from \$8.11 to \$3.42, a decrease in the customer's bill of \$4.69 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 2 - 6 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 \$11.65/MWh. This was roughly 33.86% greater than the average FAC base factor of \$8.70/MWh. However, the actual total net FAC eligible energy cost per MWh was relatively close to the Company's 2024 budget for the period. The actual cost eligible for the FAC was about 17.23% lower than the \$14.07/MWh budgeted level.

### **Staff Review**

Staff reviewed Liberty's proposed 9th Revised Sheet No. 17q, Canceling 8th Revised Sheet No. 17q, the direct testimony of Liberty witness Monica K. Gloodt filed on October 1, 2024, and Liberty's monthly filings and work papers for AP32. 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 9th Revised Sheet No. 17q, Canceling 8th Revised Sheet No. 17q. Staff also reviewed Liberty's monthly interest rates that are applied to the monthly over-and-under recovery amounts for AP32, including cumulative amounts for AP31 and AP30, 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 AP32.

### **Staff Recommendation**

Liberty filed the 9th Revised Sheet No. 17q, Canceling 8th 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 9th Revised Sheet No. 17q, canceling 8th Revised Sheet No. 17q, filed on October 1, 2024, become effective on December 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 December 1, 2024, as requested by Liberty, subject to both true-up and prudence reviews:

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

9th Revised Sheet No. 17q Cancelling 8th 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 AP32.

Staff has verified that Liberty has filed its 2023 annual report, 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).

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

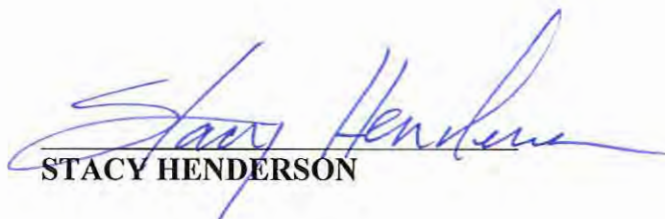
In the Matter of The Empire District Electric )  
Company d/b/a Liberty (Empire) for ) File No. ER-2025-0125  
Authority to Implement Rate Adjustments )  
Related to the Company's Fuel and Purchase )  
Power Adjustment (FAC) Required in 20 CSR )  
4240-20.090(8) )

**AFFIDAVIT OF STACY HENDERSON**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

**COMES NOW STACY HENDERSON** 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.

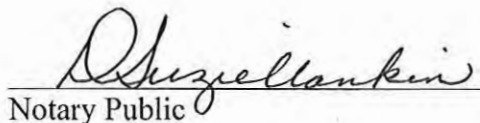
Further the Affiant sayeth not.

  
**STACY HENDERSON**

**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 28<sup>th</sup> day of October 2024.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
Notary Public