

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 23rd day of April, 2025.

In the Matter of the Request of The Empire)
District Electric Company d/b/a Liberty for)
Authority to File Tariffs Increasing Rates for) **File No. ER-2024-0261**
Electric Service Provided to Customers in)
Its Missouri Service Area)

ORDER ESTABLISHING TRUE-UP PERIOD

Issue Date: April 23, 2025

Effective Date: April 23, 2025

In its April 10, 2025,¹ order setting an updated procedural schedule, the Commission noted that the two submitted proposed procedural schedules both included dates for a true-up period. The Commission previously ordered the test year to be the twelve months ending September 30, 2023, updated through September 30, 2024. The Commission directed the parties to jointly submit an agreed-upon end date for a true-up period; or, in the absence of agreement, the parties were to submit a statement of a preferred end date for a true-up period or a statement why no true-up period is necessary.

True-Up Period End Date

On April 14, the Office of the Public Counsel (OPC) submitted *Public Counsel's Response to Order Directing Filing of Preferred True-Up Period* (OPC's Response). OPC's Response argued that a true-up period ending June 30 is practical due to concerns regarding the cost of accumulated depreciation. OPC stated the accumulated

¹ All dates reference 2025 unless otherwise stated.

depreciation adjustment to Liberty's Missouri rate base for the one-year update period is \$107,371,596.14, which equates to about \$9 million of rate base reduction per month. OPC also argued that June 30 is a reasonable compromise for balancing the timely processing of this case with the workload of processing isolated adjustments to certain cost-of-service components.

Also on April 14, the Staff of the Commission (Staff), on behalf of Liberty, the Midwest Energy Consumers Group (MECG), Influent Energy (Influent), the Empire District Retired Members & Spouses Association, LLC (EDRA), Renew Missouri, and the International Brotherhood of Electrical Workers Local Union No. 1474 (Local 1474) submitted *Non-Unanimous Joint Statement of a Preferred End Date for a True-Up Period* (Joint Statement). The Joint Statement indicated that agreement had been reached among the signatory parties for a true-up period ending March 31.

Contents of the True-Up Period

The Joint Statement and OPC's Response both indicated that the true-up process will be for the purpose of updating the following items:

- capital structure;
- cost of debt;
- all rate base components;
- customer growth/loss;
- depreciation expense;
- amortization expense (intangible & regulatory assets/liabilities);
- property tax;
- payroll and associated items (i.e., overtime, benefits, payroll taxes);

- pension and Other Post-Employment Benefits (OPEBs) (Financial Accounting Standard 87 and 106);
- fuel and purchase power expense, to include, but not be limited to, updated contract prices for fuel, wind power, fuel transportation and fuel storage;
- rate case expense; and
- income tax expense.

Conclusion

Staff and the joining parties requested a six-month true-up period, while OPC requested a nine-month true-up period. A true-up period will essentially extend the review period from September 30, 2022, to either March 31 or June 30, 2025. In addition to the test year, update period, and true-up period, the use of discrete adjustments will allow adjustments beyond the true-up period, provided they are known and measurable. With the availability of discrete adjustments, the Commission finds that a true-up period ending later than March 31, 2025, is not needed.

The Commission will also add the previously requested true-up dates and related procedures to the updated procedural schedule.

THE COMMISSION ORDERS THAT:

1. A true-up period ending March 31, 2025, is added for the purpose of updating the items described in the body of this order.

2. The updated procedural schedule is modified to add the following:

June 30, 2025	True-Up Direct Revenue Requirement Workpapers Provided to the Parties
September 15, 2025	True-Up Testimony due
September 22, 2025	True-Up Rebuttal due

3. New or revised workpapers created after June 30, 2025, shall be provided to parties no later than the date true-up testimony is due.

4. Parties may propose the incorporation of discrete adjustments beyond the true-up period, provided they are known and measurable.

5. This order shall be effective when issued.

BY THE COMMISSION



A handwritten signature in black ink that reads "Nancy Dippell". The signature is written in a cursive, flowing style.

Nancy Dippell
Secretary

Hahn, Ch., Coleman, Kolkmeier,
and Mitchell CC., concur.

Hatcher, Senior Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 23rd day of April 2025.



Nancy Dippell

Nancy Dippell
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

April 23, 2025

File/Case No. ER-2024-0261

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in black ink that reads "Nancy Dippell". The signature is written in a cursive, flowing style.

**Nancy Dippell
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.