

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

In the Matter of The Empire District Electric	)	
Company d/b/a Liberty for Authority to Implement	)	<b><u>Case No. ER-2025-0267</u></b>
Rate Adjustments Related to the Company's Fuel	)	Tracking No. JE-2025-0142
And Purchase Power Adjustment Clause (FAC)	)	
Required by 20 CSR 4240-20.090(8)	)	

**STAFF RECOMMENDATION TO APPROVE TARIFF SHEET**

**COMES NOW** Staff of the Missouri Public Service Commission and hereby respectfully submits this *Staff Recommendation to Approve Tariff Sheet* as follows:

1. On April 1, 2025, The Empire District Electric Company d/b/a Liberty ("Liberty") filed a tariff sheet to revise its current period Fuel Adjustment Rates (FARs) for the thirty-third Accumulation Period ("AP33") of its Fuel and Purchased Power Adjustment Clause (FAC), proposed tariff sheet 10th Revised Sheet No. 17q. The submitted tariff sheet has a proposed effective date of June 1, 2025, and was assigned Tariff Tracking No. JE-2025-0142.

2. Concurrently on April 1, 2025, Liberty submitted a FAC true-up filing in File No. EO-2025-0268 to identify the true up amount of \$1,320,509 for the thirty-first Recovery Period ("RP31") of its FAC. This amount and interest for RP31 are included in the calculation of the FARs for AP33.

3. On April 8, 2025, the Commission directed Staff to file, no later than May 1, 2025, a recommendation regarding the proposed tariff sheet.

4. Commission Rule 20 CSR 4240-20.090(8)(F) provides that "[w]ithin thirty (30) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the staff shall submit a recommendation regarding its examination and analysis to the commission[.]" Staff must determine if Ameren Missouri's proposed adjustments to

its FAC rates are in accordance with 20 CSR 4240-20.090 (“Fuel and Purchased Power Rate Adjustment Mechanisms”); §386.266, RSMo; and the “FAC mechanism established, continued, or modified in the utility’s most recent general rate proceeding.”

5. If the proposed rate adjustments are in accordance with the rule, statute, and FAC mechanism referenced above, 20 CSR 4240-20.090(8)(H)(1) and (2) provide:

- (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 [or]
  2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order[.]

6. As reflected in Staff’s Memorandum attached hereto and incorporated herein as **Appendix A**, Staff has reviewed the filing and recommends that the Commission approve the tariff sheet, with an effective date of June 1, 2025. 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 AP33.

7. Based on a monthly usage of 1,000 kWh, the proposed change to the Secondary FAR would increase the FAC of a Liberty residential customer’s monthly bill by \$2.24, from \$3.42 to \$5.66 per month.

8. Except for Liberty’s RP31 true-up filing in File No. EO-2025-0268, also filed April 1, 2025, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

9. Staff’s review shows Liberty’s filing is in compliance with 20 CSR 4240-20.090; §386.266, RSMo; and Liberty’s FAC in its current tariff. Staff verified Liberty is not delinquent on any assessment and is current on its

annual reporting.<sup>1</sup> Liberty is current on submission of its monthly reports, required by 20 CSR 4240-20.090(5), and its surveillance monitoring reports, required by 20 CSR 4240-20.090(6).

**WHEREFORE**, Staff recommends that the Commission approve the following tariff sheet filed by the Company on April 1, 2025, subject to true-up and prudence reviews, with an effective date of June 1, 2025:

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

10th Revised Sheet No. 17q, Cancelling 9th Revised Sheet No. 17q

Respectfully submitted,

**/s/ Tracy D. Johnson**

Tracy D. Johnson

Deputy Staff Counsel

Missouri Bar No. 65991

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Missouri Public Service Commission

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### **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, to the parties of record as listed in the Service List maintained for this case by the Commission's Data Center, on this 1<sup>st</sup> day of May 2025.

**/s/ Tracy D. Johnson**

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<sup>1</sup> On January 23, 2025, Liberty requested an extension of its 2024 annual report. Liberty's 2024 annual report is now due May, 15, 2025

## **MEMORANDUM**

TO: Missouri Public Service Commission Official Case File  
File No. ER-2025-0267, Tariff Tracking No. JE-2025-0142  
The Empire District Electric Company, d/b/a Liberty (Empire)

FROM: Amanda C. Conner, Senior Utility Regulatory Auditor

DATE: /s/ Amanda C. Conner May 1, 2025  
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: May 1, 2025

### **Summary and Staff Recommendation**

On April 1, 2025, The Empire District Electric Company d/b/a Liberty (hereafter “Liberty” or “Company”) filed one (1) proposed tariff sheet, 10th Revised Sheet No. 17q, Canceling 9th Revised Sheet No. 17q, bearing a proposed effective date of June 1, 2025, 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, 2025, 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-2025-0142.

### **Liberty’s AP33 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 33 (“AP33”). That dollar amount is \$12,544,917 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 10th 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 10th Revised Sheet No. 17q.

1. The amount of \$10,938,974, found on Line 7 of 10th 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 AP33; plus
2. The true-up amount of \$1,320,509<sup>7</sup> which is the under-recovery amount of the FARs for Recovery Period 31 ("RP31"), found on Line 9 of 10th Revised Sheet No. 17q; plus
3. The interest for AP33, including over/under cumulative recovery balances from AP31 and AP32, all equal to \$285,434, found on Line 11 of 10th Revised Sheet No. 17q.

The Current Period FAR of \$0.00533 per kWh (Line 14 of 10th Revised Sheet No. 17q) is equal to the FPA Amount of \$12,544,917 divided by the forecasted Missouri net system input ("NSI") for RP33 of 2,355,851,039 kWh, found on Line 13 of 10th 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 \$0.00555 per kWh for customers receiving service at primary voltage level, and \$0.00566 per kWh for customers receiving service at secondary voltage level. Liberty's present FARs are \$.00336 per kWh for customers receiving service at primary voltage level, and \$.00342 per kWh for customers receiving service at secondary voltage level.<sup>8</sup>

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<sup>4</sup> For AP33, J is equal to 88.27% as reflected on line 4 of 10th Revised Sheet No. 17q. The 88.27% 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 \$11,431,152.

<sup>5</sup> For AP33, this amount is \$35,485,996 as reflected on line 1 of 10th Revised Sheet No. 17q.

<sup>6</sup> For AP33, this amount is \$22,535,784 as reflected on line 2 of 10th Revised Sheet No. 17q.

<sup>7</sup> Liberty's RP31 true-up filing is contained in File No. EO-2025-0268.

<sup>8</sup> Lines 15 and 16 of 10th Revised Sheet No. 17q.

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Primary	\$0.00336	\$0.00555	\$0.00219 Increase
Secondary	\$0.00342	\$0.00566	\$0.00224 Increase

Based on a monthly usage of 1,000 kWh, the proposed change to the FAR will increase the Fuel Adjustment Charge of a Liberty residential customer's bill from \$3.42 to \$5.66, an increase in the customer's bill of \$2.24 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 5 - 9 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 \$13.70/MWh. This was roughly 57.47 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 and 2025 budget for the period. The actual energy cost eligible for the FAC was about 6.18% lower than the \$14.60/MWh budgeted level. Actual natural gas and market prices were lower than budget during the period September 2024 through December 2024. This had a positive impact on net energy costs, but the low market prices led to lower than budgeted revenue from energy sold into the market from the Company's generating resources. January and February 2025 were colder than normal, causing greater customer demand for energy. During this period native load energy costs from the SPP market were higher than budget, but this was more than offset by favorable ARR/TCR revenues. The ARR/TCR revenue for the period January and February 2025 was roughly \$12.9 million or 4.1 times greater than budget. The overall net impact for the review period for the energy cost eligible for the FAC was lower than budgeted, but higher than the FAC base factor.

### **Staff Review**

Staff reviewed Liberty's proposed 10th Revised Sheet No. 17q, Canceling 9th Revised Sheet No. 17q, the direct testimony of Liberty witness Monica K. Gloodt filed on April 1, 2025, and Liberty's monthly filings and work papers for AP33. 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 10th Revised Sheet No. 17q, Canceling 9th Revised Sheet No. 17q. Staff also reviewed Liberty's monthly interest rates that are applied to the monthly over- and under-recovery amounts for AP33, including cumulative amounts for AP31 and AP32, 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 AP33.

### **Staff Recommendation**

Liberty filed the 10th Revised Sheet No. 17q, Canceling 9th 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 10th Revised Sheet No. 17q, canceling 9th Revised Sheet No. 17q, filed on April 1, 2025, become effective on June 1, 2025. 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, 2025, as requested by Liberty, subject to both true-up and prudence reviews:

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

10th Revised Sheet No. 17q, Cancelling 9th 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 AP33.

Staff has verified that Liberty has filed its 2023 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 January 23, 2025, Liberty requested an extension of its 2024 annual report. Liberty's 2024 annual report is now due May, 15, 2025



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In the Matter of the of The Empire District	)	
Electric Company d/b/a Liberty for	)	<u>File No. ER-2025-0267</u>
Authority to Implement Rate Adjustments	)	Tariff No. JE-2025-0142
Related to the Company's Fuel and	)	
Purchase Power Adjustment Clause (FAC)	)	
Required by 20 CSR 4240-20.090(8)	)	

**AFFIDAVIT OF AMANDA C. CONNER**

STATE OF MISSOURI    )  
                                      )   ss.  
COUNTY OF COLE        )

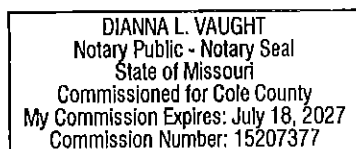
**COMES NOW AMANDA C. CONNER** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Staff Recommendation, in Memorandum form*; and that the same is true and correct according to her best knowledge and belief.

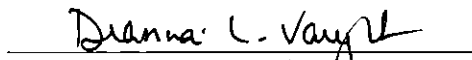
Further the Affiant sayeth not.

  
**AMANDA C. 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 30<sup>th</sup> day of April 2025.



  
Notary Public