

Exhibit No.: \_\_\_\_\_  
Issue(s): Pension, OPEB  
Witness: James A. Fallert  
Type of Exhibit: True-Up Direct Testimony  
Sponsoring Party: The Empire District  
Electric Company d/b/a Liberty  
Case No.: ER-2024-0261  
Date Testimony Prepared: September 2025

**Before the Public Service Commission  
of the State of Missouri**

**True-Up Direct Testimony**

**of**

**James A. Fallert**

**on behalf of**

**The Empire District Electric Company d/b/a Liberty**

**September 17, 2025**



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FOR THE TRUE-UP DIRECT TESTIMONY OF JAMES A. FALLERT  
THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY  
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION  
CASE NO. ER-2024-0261

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1   **I.   INTRODUCTION**

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

3   A.   My name is James A. Fallert. My business address is 3507 Burgundy Way Dr., St.  
4       Louis, MO, 63129.

5   **Q.   Are you the same James A. Fallert who provided direct and rebuttal testimony in**  
6       **this matter on behalf of The Empire District Electric Company d/b/a Liberty**  
7       **(“Liberty” or the “Company”)?**

8   A.   Yes.

9   **Q.   What is the purpose of your true-up direct testimony in this proceeding before the**  
10       **Missouri Public Service Commission (“Commission”)?**

11   A.   The purpose of this testimony is to support the normalized pension, OPEB, and SERP  
12       expense included in Liberty’s March 2025 true-up filing (EXP ADJ 22), as well as, the  
13       related rate base amounts (RB ADJ 9 & 10).

14   **II.   ONGOING PENSION AND OPEB EXPENSE**

15   **Q.   How did Liberty determine the appropriate amount of ongoing pension and**  
16       **OPEB expense for true-up?**

17   A.   The ongoing expense amounts are based on the most recent available 2025 regulatory  
18       expense amounts as calculated by the Company’s actuary, CBIZ Cottonwood. The  
19       direct case was based on CBIZ calculations for 2024.

20   **Q.   What is the amount of pension expense being proposed by Liberty as of March**  
21       **2025?**

1 A. The true-up balance of pension expense is (\$1,411,647). This balance includes: (1)  
2 projected 2025 non-service cost expense in accounts 426581 and 426591 of (\$130,055)  
3 (which is made up of (\$1,970,169) of credits determined by the Company's actuary and  
4 pension settlement expense of \$1,840,114); (2) projected 2025 service cost expense in  
5 accounts 926148 and 926150 of \$1,689,074 as determined by the actuary; and (3)  
6 projected five-year amortization of (\$2,970,666) of credits related to trackers  
7 authorized in prior cases.

8 **Q. What changes were made to FAS 88 settlement expense in the true-up calculation?**

9 A. The amount included in the direct case was based on a five-year average of experience  
10 in 2019 through 2023. The amount included in true-up is based on the five-years 2020  
11 through 2024. This resulted in no change in the average of \$1,840,114 since 2019 and  
12 2024 had no FAS 88 expense. This amount is included in the non-service cost expense  
13 mentioned above.

14 **Q. What changes were made to SERP expense in the true-up calculation?**

15 A. The ongoing expense amounts are based on the most recent available 2025 regulatory  
16 expense amounts as calculated by the Company's actuary, CBIZ Cottonwood. The  
17 direct case was based on CBIZ calculations for 2024. The March 2025 normalized  
18 balance proposed by the Company for SERP expense is \$1,011,002.

19 **Q. What is the amount of OPEB expense being proposed by Liberty as of March**  
20 **2025?**

21 A. The Company's revenue requirement proposed as of the conclusion of the March 2025  
22 true-up period includes total annual Missouri OPEB credits of (\$1,851,251) in account  
23 926326. This amount is based on the amortization of the accumulated OPEB tracker  
24 balance through March 2025. Current projections for 2025 indicate negative OPEB

1 expense; therefore, for the true-up period, the Company has continued to include zero  
2 for net projected OPEB costs.

3 **III. RATE BASE**

4 **Q. What changes were made to the pension and OPEB tracker balances and the**  
5 **resulting amortization in the true-up calculation?**

6 A. The balances were adjusted to actual levels at March 31, 2025, as compared to the  
7 September 31, 2024 balances included in the previous calculations. Additionally, as  
8 described in my rebuttal testimony, the Company has included the elimination of  
9 balances related to FAS 88 deferrals from rate base using the amortization method as  
10 proposed in the direct testimony of Staff in this case. This results in a true-up pension  
11 tracker balance of (\$26,112,010) and a true-up OPEB tracker balance of (\$9,256,254).

12 **Q. What changes were made to the prepaid pension asset balances in the true-up**  
13 **calculation?**

14 A. The balances were adjusted to actual levels at March 31, 2025, as compared with the  
15 September 31, 2024 balances included in the previous calculations. Additionally, as  
16 mentioned in my rebuttal testimony, preliminary contribution amounts included in the  
17 direct case were updated to the actual amounts. The resulting prepaid pension asset at  
18 the March 2025 true-up period is \$33,299,061.

19 **IV. CONCLUSION**

20 **Q. Does this conclude your true-up direct testimony at this time?**

21 A. Yes.

**VERIFICATION**

I, James A. Fallert, under penalty of perjury, on this 17th day of September, 2025,  
declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ James A. Fallert