

Exhibit No.:
Issue(s): PPA Replacement, Large
Power Revenues
Witness: Marina Gonzales
Sponsoring Party: MoPSC Staff
Type of Exhibit: Surrebuttal / True-Up Direct
Testimony
Case No.: ER-2024-0261
Date Testimony Prepared: September 17, 2025

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

TARIFF/RATE DESIGN DEPARTMENT

SURREBUTTAL / TRUE-UP DIRECT TESTIMONY

OF

MARINA GONZALES

**THE EMPIRE DISTRICT ELECTRIC COMPANY,
d/b/a Liberty**

CASE NO. ER-2024-0261

*Jefferson City, Missouri
September 2025*

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1 **SURREBUTTAL / TRUE-UP DIRECT TESTIMONY**

2 **OF**

3 **MARINA GONZALES**

4 **THE EMPIRE DISTRICT ELECTRIC COMPANY,**
5 **d/b/a Liberty**

6 **CASE NO. ER-2024-0261**

7 Q. Please state your name and business address.

8 A. My name is Marina Gonzales, 200 Madison Street, Jefferson City,
9 Missouri 65101.

10 Q. Are you the same Marina Gonzales who filed Functionalized Class Cost of
11 Service (“CCOS”) and non-residential Rate Design testimony, as well as Large Power Service
12 (“LPS”) billing determinants and revenues in this matter?

13 A. Yes.

14 **SURREBUTTAL**

15 Q. What is the purpose of your surrebuttal testimony?

16 A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony
17 of Empire witness Aaron Doll regarding the Purchase Power Agreement (“PPA”) replacement
18 as it pertains to the Market Price Protection Mechanism (“MPPM”).

19 Q. How is the PPA Replacement Value (“PPA RV”) defined?

20 A. As defined in the Non-Unanimous Stipulation and Agreement from Case
21 No. EA-2019-0010, the PPA RV is the value associated with replacing the existing wind PPAs
22 during the period of the guarantee, as shown on Exhibit C (row 15 excel).

1 Q. Has a method for calculating the PPA replacement value been ordered?

2 A. Yes. As a part of the approved Fourth Partial Stipulation and Agreement from
3 Case No. ER-2021-0312, the calculation for the PPA replacement value is as follows:¹

4 iv. A PPA replacement value will be calculated:

- 5 • For any renewable compliance standard not met by the existing wind
- 6 PPAs through life of the MPP;
- 7 • Based on the energy from the wind projects being used to meet the
- 8 renewable standards that is not met by existing solar requirements
- 9 (e.g., currently 2% of Missouri RES)

10 Q. Does this redefine the definition of “PPA Replacement Value”
11 referenced above?

12 A. No. This simply provided clarification and refinement to the PPA RV
13 calculation to use at the time the PPA contracts expire and the GWh associated with those
14 contracts need to be replaced.

15 Q. Are the wind PPA contracts for Elk River and Meridian Way still active?

16 A. Yes. According to Liberty’s 2024 IRP Annual Report Update: Elk River and
17 Meridian Way Windfarm PPA contracts are set to expire mid-December 2025 and
18 December 2028, respectively.

19 Q. In Empire Witness Aaron Doll’s rebuttal testimony, page 4 lines 9-10, he claims
20 that “the information provided in Appendix B is simply an example for demonstrative
21 purposes”. Are the values referenced in Appendix B - Exhibit C of *the Non-Unanimous*
22 *Stipulation and Agreement* in case EA-2019-0010 (“Stipulation”) for example only?

¹ Case No. EO-2021-0312, *Fourth Partial Stipulation and Agreement*, page 8.

1 A. While the values in Exhibit C are indeed estimates determined during the
2 original case, the formulas set forth in Exhibit C are established and intended to be updated
3 with actual values. As stated in Appendix B- Exhibit B and Exhibit D of the Stipulation,
4 “All numbers utilized, unless specified elsewhere in the STIP, are for example only, actual
5 values will be input into the calculation during the life of the MPP.”

6 Q. Are the PPA contracts for Elk River and Meridian Way providing the amount of
7 generation that was estimated in EA-2019-0010?

8 A. No. Mr. Doll states on page 4, line 23 – page 5, line 2 of his rebuttal testimony
9 that the two windfarm PPA contracts are only producing roughly 54% of the actual generation
10 as compared to the generation estimated in Exhibit C.

11 Despite this steep decrease in expected generation from the estimates provided in
12 EA-2019-0010, inputting the actual generation of these plants² into the original PPA
13 replacement formula as it is in Exhibit C the result is still ** [REDACTED] ** allocated benefit of
14 PPA replacement and a ** [REDACTED] ** reduction in revenue requirement from the PPA replacement.
15 This is because the original formulas presented in Exhibit C do not consider the comparison to
16 the ** [REDACTED]

17 [REDACTED] **. This clearly indicates that the intention of
18 the PPA replacement value should remain at zero until Empire’s Wind PPA contracts expire.
19 In other words, it is not appropriate to account for a replacement value while the PPAs are
20 currently active.

² Provided by Staff Witness Shawn E. Lange, 20 CSR 4240-3.190 monthly reporting requirements, ER-2024-0261
Staff Renewable Generation for Direct- Confidential.xlsx,

TRUE-UP DIRECT

Q. What is the purpose of your true-up direct testimony?

A. The purpose of my true-up direct testimony is to update the Large Power Service revenues and billing determinants as they relate to the Economic Development Investment (“EDI”) adjustment and the Missouri Energy Efficiency Act (“MEEIA”) adjustment.

MEEIA

Q. Did Staff make a true-up MEEIA adjustment?

A. Yes. Staff witness Hari K. Poudel, PhD provided the true-up MEEIA adjustments. Staff applied the true-up adjustments in the same manner as was done in direct testimony. Dr. Poudel discusses these adjustments in his true-up direct testimony.

CONCLUSION

Q. What is Staff’s summary of the surrebuttal and direct true-up issues discussed in this testimony?

A. Staff recommends that the Commission accept Staffs true-up LPS MEEIA adjustment. Additionally, Staff recommends the Commission should sustain its order affirming the PPA replacement value and calculation method

Q. What are your recommended rate revenue adjustments?

A. The Commission should base its ordered revenue requirement on Staff’s rate revenue adjustments as provided in Staff witness Kim Cox’s true-up direct testimony.

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Request of The Empire)
District Electric Company d/b/a Liberty for)
Authority to File Tariffs Increasing Rates)
for Electric Service Provided to Customers)
in Its Missouri Service Area)

Case No. ER-2024-0261

AFFIDAVIT OF MARINA GONZALES

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

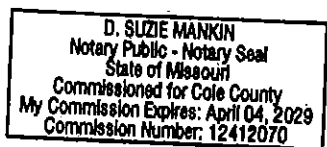
COMES NOW MARINA GONZALES and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Marina Gonzales*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


MARINA GONZALES

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 9th day of September 2025.




Notary Public