

Exhibit No.: _____
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Witness: Monica K. Gloodt
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Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2026-_____
Date Testimony Prepared: October 2025

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

Direct Testimony

of

Monica K. Gloodt

on behalf of

The Empire District Electric Company

October 1, 2025



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THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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1 **I. INTRODUCTION**

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

3 A. My name is Monica K. Gloodt, and my business address is 602 South Joplin Avenue,
4 in Joplin, Missouri.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Liberty Utilities Services Corp. (“LUSC”), and I serve as an Analyst
7 in the Rates and Regulatory Affairs Department for Liberty’s Central Region, which
8 includes The Empire District Electric Company d/b/a Liberty (“Liberty” or
9 “Company”).

10 **Q. Please describe your educational and professional background.**

11 A. I graduated from Pittsburg State University in 2018 with a Bachelor of Science degree
12 with a major in Finance. I was hired by LUSC in July of 2020 as an Analyst I in the
13 Rates and Regulatory Affairs department and was promoted to an Analyst II in
14 February 2024.

15 **Q. Have you previously testified before the Missouri Public Service Commission**
16 **(“Commission”) or any other regulatory agency?**

17 A. Yes, I testified before this Commission in Case Nos. ER-2024-0118, EO-2024-0119,
18 ER-2024-0274, EO-2024-0276, ER-2025-0125, EO-2025-0126, ER-2025-0267, and
19 EO-2025-0268. I also submitted direct testimony before the Arkansas Public Service
20 Commission in Docket Nos. 18-054-TF, 18-055-TF, 13-111-U, 16-053-U and 22-085-
21 U.

1 **Q. What is the purpose of your direct testimony in this matter?**

2 A. The purpose of my testimony is to support the Fuel & Purchased Power Adjustment
3 Clause (“FAC”) rate tariff that has been filed by Liberty. The FAC rate tariff reflects
4 the actual energy costs incurred by the Company during the six-month period March
5 2025 through August 2025. The six-month period is an Accumulation Period specified
6 in the Company’s FAC tariff that was approved by the Commission in its Order
7 Approving Stipulations and Agreements issued in Case No. ER-2021-0312. The
8 current Fuel Adjustment Rate (“FAR”) for the Accumulation Period ending August
9 2025 and the Recovery Period ending May 2026 is \$0.00071.

10 **Q. Are you sponsoring any schedules with your testimony?**

11 A. Yes. I am sponsoring the following schedules:

- 12 • **Direct Schedule MKG-1** contains the basic tariff filing information and the FAC
13 formula the Company used to calculate the FARs which have been included in the
14 proposed revised FAC rate tariff sheet 17q; and
15 • **Confidential Direct Schedule MKG-2** contains the information required by 20
16 CSR 4240-20.090(8)(A)(2).

17 **Q. Does the Company’s FAC tariff include provisions that are designed to limit**
18 **Liberty’s FAC recovery to the actual cost of energy?**

19 A. Yes. The Company’s FAC and the Commission’s rule governing FACs include two
20 safeguards limiting FAC recovery to actual, prudently incurred energy costs: (1) a true-
21 up process that ensures the FAC collections during the Recovery Period do not exceed
22 actual energy costs incurred during the Accumulation Period; and (2) a requirement
23 that Liberty’s energy costs be subjected to periodic prudence reviews. Liberty's most
24 recently reviewed FAC operations was in Case No. EO-2024-0241. On August 26,

1 2024, Staff filed a report in which Staff identified no incidence or evidence of
2 imprudence by the Company in the items that Staff examined for the period September
3 1, 2022, through February 29, 2024. Additionally, on September 11, 2024, the
4 Commission issued an approval order, effective October 11, 2024, finding Staff's
5 report and recommendation to be reasonable. On September 3, 2025, Staff gave notice
6 of the start of the twelfth fuel adjustment clause prudence review in Case No. EO-2026-
7 0057.

8 **Q. Please describe Liberty's FAC and FAR filing obligations.**

9 A. The Commission's rule governing fuel and purchased power cost recovery mechanisms
10 for electric utilities – specifically 20 CSR 4240-20.090(8) – requires the Company to
11 make periodic FAC filings that are designed to enable Commission review of the actual
12 fuel costs, purchased power costs, cost of consumables associated with the power
13 plants' air quality control system ("AQCS"), net cost of emission allowances, revenue
14 from the sale of renewable energy credits ("REC"), and off-system sales margins
15 (collectively referred to as total energy costs) that the Company has incurred during an
16 Accumulation Period. In addition, these periodic filings are designed to adjust the FAC
17 rates up or down, to reflect the actual energy costs incurred during the Accumulation
18 Period. Liberty's FAC tariff calls for two adjustment filings per year: a filing covering
19 the six-month Accumulation Period running from September through February and a
20 second filing covering the Accumulation Period running from March through August.
21 Any increases or decreases in rates approved by the Commission, or that take effect by
22 operation of law, are then collected from, or refunded to customers over two six-month
23 Recovery Periods: June through November and December through May.

1 **Q. Please provide an overview of your direct testimony in support of the FAC rate**
2 **tariff filed by Liberty.**

3 A. Since the implementation of the Company's FAC, the variable cost of fuel and
4 purchased power used by the Company's Missouri customers has varied from the base
5 fuel and energy cost established in rates. For the Accumulation Period March 2025
6 through August 2025, Liberty's actual total energy costs eligible for the FAC have been
7 higher than the base energy cost included in the Company's Missouri rates by
8 approximately \$3,392,047. In accordance with the Commission's FAC rule and
9 Liberty's approved FAC tariff, the Company has filed a FAC rate tariff that is designed
10 to collect 95 percent of the energy cost differences, or approximately \$3,213,510.

11 As reflected in the rate tariff filed by the Company, Liberty developed two
12 FARs designed to recover the FPA, each of which is based on forecasted retail Missouri
13 sales over the next Recovery Period: a FAR of \$0.00074 per kilowatt-hour (kWh) for
14 primary service; and a FAR of \$0.00075 per kWh for secondary service. These FARs
15 will enable Liberty to recover, over a Recovery Period ending May 2026, the difference
16 between energy costs built into its base rates and the total energy costs actually incurred
17 during the Accumulation Period. In addition, Liberty will recover the true-up amount
18 of the fuel and energy costs during the Recovery Period ended May 31, 2025.

19 **II. THE PROPOSED FAC RATE ADJUSTMENT**

20 **Q. Why has Liberty filed a FAC-related tariff at this time?**

21 A. As noted previously, Commission Rule 20 CSR 4240-20.090(8) and Liberty's FAC
22 tariff require the Company to make periodic FAC filings that enable the Commission
23 to review Liberty's actual fuel, purchased power, AQCS costs, off-system sales, REC
24 revenue, and net costs of emissions allowances, so that the Company's FAC rates can

1 be adjusted to reflect the actual energy costs the Company incurs to provide electric
2 service to its Missouri customers. Liberty's Missouri FAC tariff calls for two FAC
3 adjustment filings per year: (1) a filing covering the six-month Accumulation Period
4 running from September through February; and (2) a filing covering the Accumulation
5 Period running from March through August. Liberty is seeking an increase in its FAC
6 rates to reflect 95% of the difference between the energy costs built into its Missouri
7 base rates and Liberty's actual Missouri energy costs for the March 2025 through
8 August 2025 Accumulation Period, plus a true-up of the costs recovered during the
9 Recovery Period ending May 31, 2025. This recovery via the FAC rates will be
10 reflected on the Missouri customers' bills over the six-month Recovery Period running
11 from December 2025 through May 2026.

12 **Q. How did Liberty's average energy costs for the Accumulation Period compare to**
13 **the costs included in base rates?**

14 A. Liberty's average energy cost per kWh is higher than the level built into its base electric
15 rates but is lower than the average energy cost of \$0.0137 from the previous
16 Accumulation Period ending February 2025. More specifically, Liberty's Missouri
17 base rates included an average cost of energy per kWh of net system production of
18 \$0.00870. Liberty incurred average energy costs of \$0.01021 per kWh during the
19 Accumulation Period, which is \$0.00151 per kWh, or about 1.2 times more than the
20 average cost built into current base rates. Pursuant to Liberty's FAC tariff, the
21 Company is requesting in this proceeding to collect from its Missouri customers the
22 net of 95 percent of this increase plus approximately \$1,806,161 of over-recovered
23 energy cost and \$211,608 of interest expense.

1 **Q. Did Liberty anticipate this increase in fuel and purchase power costs when it**
2 **proposed and later settled on a normal level of fuel and purchase power expenses**
3 **in the rate case that established the current FAC base factor¹?**

4 A. No. The Company agreed to a base fuel amount based on the market conditions that
5 were anticipated at that time. The FAC base factor is an estimate and is established in
6 a rate case based on model runs of what normalized Fuel and Purchased Power (“FPP”)
7 costs may be during the period it is in effect. The base fuel amount in Case No. ER-
8 2021-0312, like many rate case issues, was agreed to following discussions and
9 compromises with other parties to the case. The base factor estimate is based on
10 normalized assumptions (costs, weather, market prices, unit outages, wind production,
11 transmission congestion, etc.) at a point in time. However, over time, modeling
12 assumptions can change. There are many variables involved in forecasting future
13 energy costs and market conditions which are subject to many complex
14 interdependencies. It is difficult to estimate the exact amount of future energy cost since
15 it involves many uncertain and uncontrollable factors. Those uncontrollable factors
16 have resulted in underestimated costs eligible for the FAC since the last rate case. The
17 confluence of a number of circumstances since the rate case that established the current
18 FAC base factor (ER-2021-0312) has caused FPP expenses eligible for the FAC to be
19 higher than the forecast at that time.

20 **Q. How will the proposed FAC change impact the monthly bill for a typical**
21 **residential customer?**

22 A. For a Missouri residential customer using 1,000 kWh per month, the electric bill will
23 decrease by approximately \$4.90 per month over the six-month period December 2025

¹ ER-2021-0312.

1 through May 2026, when the requested FAC secondary expansion factor of \$0.00075
2 is applied to their bill and the previous FAC recovery factor of \$0.00566 is eliminated
3 from their bill.

4 **Q. Please explain further how the average energy cost varied from expectations.**

5 A. The actual average energy cost eligible for the FAC was \$10.21/MWh. This was
6 roughly 17.31% greater than the average FAC base factor of \$8.70/MWh. The actual
7 energy cost eligible for the FAC was about 40.84% lower than the \$17.25/MWh
8 budgeted level. The general theme for the period was actual natural gas prices were
9 higher than the budget, but this led to higher than budgeted revenue from energy sold
10 into the market from the Company's generating resources. Overall, native load cost
11 was higher than budget on a per unit basis, but this was tempered by strong TCR
12 revenue offset support. Additionally, other than a warm July, most months in the period
13 experienced mild weather. For example, March 2025 was the mildest March in more
14 than a decade, and May 2025 was the third mildest May in the past 30 years.

15 **Q. Were there any Prior Period Adjustments included in this Accumulation Period?**

16 A. Yes. This period includes a Prior Period Adjustment totaling \$93,935. This adjustment
17 covers six new charge types that first appeared in October 2024 but were initially
18 excluded from the FAC calculation because the Company had not yet filed notice. For
19 this filing, the adjustment only applies to the charges excluded between March 2025
20 and July 2025. Since the Company has now filed notice, these charges are now being
21 included in the Company's calculation. This adjustment is incorporated into the total
22 Empire District Electric ("EDE") Sales. For further details, please see the New Charge
23 Type section below.

1 **Q. Please describe how the Company is proposing to recover the energy cost incurred**
2 **during the March 2025 – August 2025 Accumulation Period.**

3 A. The FAC rate tariff filed by Liberty will apply a FAR of \$0.00074 for primary and
4 \$0.00075 for secondary service to the actual Missouri retail kWh sales that take place
5 during the Recovery Period of December 1, 2025, to May 31, 2025. The proposed
6 FARs were calculated in accordance with Liberty's authorized FAC tariff. I have
7 attached to my testimony, as **Direct Schedule MKG-1**, an exemplar copy of one of the
8 Company's approved FAC tariff sheets. In addition to the tariff sheet, I have included
9 a monthly analysis of the energy costs and energy cost recovery that has taken place
10 during the Accumulation Period on page 2 of **Direct Schedule MKG-1**. **Direct**
11 **Schedule MKG-1** contains the basic tariff filing information and the FAC formula that
12 the Company used to calculate the FARs which have been included in the proposed
13 revised FAC rate tariff sheet 17q. The Liberty FAC tariff and the formula included
14 therein were approved by the Commission in Case No. ER-2021-0312.

15 **Q. How were the various values used to determine the proposed FARs shown on**
16 **Direct Schedule MKG-1 developed?**

17 A. The data upon which Liberty based the values for each of the variables in the approved
18 FAR formula are included on the schedule and came from Liberty's books and records.
19 **Direct Schedule MKG-1** contains the basic tariff filing information that is required to
20 calculate the proposed change in the FAR. In addition, the detailed information
21 required by 20 CSR 4240-20.090(8)(A)(2) is included in my testimony as **Confidential**
22 **Direct Schedule MKG-2**. Additional information about the true-up amount is being
23 filed concurrently in a separate docket. Also, as required by Commission Rule 20 CSR

1 4240-20.090, I am separately providing these workpapers to all parties of record in
2 Case No. ER-2021-0312.

3 **Q. Do you expect the average energy costs eligible for the FAC to be higher or lower**
4 **than the base during the next Accumulation Period from September 2025 through**
5 **February 2026?**

6 A. Based upon a review of the current natural gas market, we expect average energy costs
7 to be higher than the current FAC base factor of \$8.70/MWh during the Accumulation
8 Period of September 2025 – February 2026. This is subject to change based on any
9 changes to the natural gas and market prices, extreme weather, or other unforeseen
10 events.

11 **III. NEW CHARGE TYPES**

12 **Q. Is Liberty aware of any changes to charge types from SPP that occurred during**
13 **the Accumulation Period for this filing or will be adopted in the near future?**

14 A. Yes, Liberty filed a notice for six new charge types in Case No. ER-2021-0312 on May
15 1, 2025.

16 **Q. What are the six new charge types?**

17 A. SPP implemented six new charge types as “URD”, “URD Distribution”, “Day-Ahead
18 Self-Incremental Energy Make-Whole Payment Amount”, “Real-Time Incremental
19 Energy Make-Whole Payment Amount”, “Reliability Unit Commitment Self-
20 Incremental Energy Make-Whole Payment Amount”, “Local Reliability Distribution
21 Amount Charge Type”.

22 **Q. Please explain the intent for these new charge types.**

23 A. For “URD” and “URD Distribution”, SPP utilized Uninstructed Resource Deviation
24 (“URD”) charges to promote reliability by assessing deterrence charges on generators

1 for noncompliance with dispatch instructions. Prior to these new charge types, the
2 charges were an offset to Reliability Unit Commit (“RUC”) Make Whole Payments.
3 However, this approach was not deemed an adequate deterrence; as such, SPP created
4 a new calculation in the tariff and protocols to better deter URD violations. SPP
5 implemented two new charge types, one to assess the charge and one to distribute the
6 revenue. These new charge types are consistent with the practice of the FAC recovery
7 for URD charges and supplements the current MWP charge types by adding two new
8 charge types.

9 For “Day-Ahead Self-Incremental Energy Make-Whole Payment Amount”,
10 “Real-Time Incremental Energy Make-Whole Payment Amount”, “Reliability Unit
11 Commitment Self-Incremental Energy Make-Whole Payment Amount”, FERC Order
12 831 revised existing regulations on incremental energy offer caps. The ruling required
13 regional transmission organizations and independent system operators to both cap each
14 resource’s incremental energy offer at the higher of \$1,000/megawatt-hour (MWh) or
15 that resource’s verified cost-based incremental energy offer; and (2) cap verified cost-
16 based incremental energy offers at \$2,000/MWh when calculating locational marginal
17 prices (“LMP”). These three new charge types are designed to close a market design
18 gap related to the implementation of FERC Order No. 831 that results in resources not
19 recovering the cost of incremental dispatch in some scenarios. Incremental & Self-
20 Incremental Make-Whole-Payments will allow make whole payments for instructed
21 Real-Time incremental Energy costs for Day-Ahead Market committed and self-
22 committed Resources. These new charge types are consistent with the practice of FAC
23 recovery for Make Whole Payments (“MWP”) charge types and supplements the
24 current MWP charge types.

1 For the final new charge type “Local Reliability Distribution Amount Charge
2 Type”, SPP has previously used manual processes to settle make whole payments and
3 collections/distributions that are associated with Local Reliability events, including Out
4 of Merit Energy (“OOMEs”), de-commits and transition cancellations. This process is
5 performed outside normal, automated settlement activities and is run monthly for all
6 Operating Day (“ODs”) within the month as of the last Scheduled Settlement
7 Statements (“S120”) posting to ensure the use of the final set of Billable Metered Load
8 data in the process but requires the daily exchange of spreadsheets between Settlements
9 and Functional Coordination staff to collect and verify occurrences of Local Reliability
10 events. This new charge type will be part of a new process that will automate the re-
11 distribution of MWPs to the impacted Settlement Area, via Load Ratio Share, when an
12 event is determined to be a local event. This new charge type is consistent with the
13 practice of FAC recovery for MWP charge types and has been created for efficiency
14 and transparency.

15 **Q. Did you include these new charge types in the March 2025 through August 2025**
16 **Accumulation Period?**

17 A. Yes.

18 **IV. CONCLUSION**

19 **Q. Does this conclude your direct testimony?**

20 A. Yes.

VERIFICATION

I, Monica K. Gloodt, under penalty of perjury, on this 1st day of October, 2025, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Monica K. Gloodt