

Exhibit No. 9

Empire District Electric Company – Exhibit 9
Testimony of Aaron J. Doll
Rebuttal
File No. ER-2024-0261

CONFIDENTIAL DESIGNATIONS

The Empire District Electric Company d/b/a Liberty

Case No. ER-2024-0261

RE: Rebuttal Testimony of Aaron J. Doll - portions of pages 2, 4, and 10

The information is designated “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)3, 4, and/or 7 due to the nature of the material regarding market-specific information relating to services offered in competition with others and goods or services purchased or acquired for use by a company in providing services to the customer. Some information on page 10 is also regarding the safety and security of Liberty’s critical infrastructure and other utility facilities. The confidentiality shall be maintained consistent with the referenced Rule and/or Section 386.480, RSMo., as the case may be. Liberty trusts that all relevant parties will respect the need for such safeguards and will work with Liberty to establish the necessary protections to preserve confidentiality through the regulatory process.

Exhibit No.: _____
Issue(s): MPPM, Riverton Unit 10,
Resource Planning, Natural Gas Hedging,
FAC Transmission Inclusion, FAC
Reporting Requirements, Emergency Energy
Conservation Plan tariff & VAF
Witness: Aaron J. Doll
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: The Empire District
Electric Company d/b/a Liberty
Case No.: ER-2024-0261
Date Testimony Prepared: August 2025

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

Rebuttal Testimony

of

Aaron J. Doll

on behalf of

The Empire District Electric Company d/b/a Liberty

August 18, 2025



****DENOTES CONFIDENTIAL****
20 CSR 4240-2.135(2)(A)3,4,7

PUBLIC VERSION

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THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2024-0261

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REBUTTAL TESTIMONY OF AARON J. DOLL
THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2024-0261

1 **I. INTRODUCTION**

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

3 A. My name is Aaron J. Doll. My business address is 602 South Joplin Avenue, Joplin,
4 Missouri.

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

8 A. Yes.

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

11 A. The purpose of my rebuttal testimony is to respond to various recommendations and
12 concerns raised by Commission Staff (“Staff”) and Office of the Public Counsel
13 (“OPC”) witnesses. I address the Market Price Protection Mechanism (“MPPM”) in
14 response to the direct testimonies of Staff witnesses Marina Gonzales and Brooke
15 Mastrogiannis, and OPC witnesses Manzell Payne, John Robinett, Lena Mantle, Jordan
16 Seaver, and Dr. Geoff Marke. I also respond to Staff witness Mastrogiannis regarding
17 Fuel Adjustment Clause (“FAC”) reporting requirements and to Staff witness King’s
18 recommendations concerning the Company’s Emergency Energy Conservation Plan
19 tariff and Staff witness Alan Bax recommendations related to the Voltage Adjustment
20 Factor. My testimony aims to clarify the Company’s position, correct

1 mischaracterizations, and reinforce the regulatory and operational rational behind
2 Liberty's proposals.

3 **II. MARKET PRICE PROTECTION MECHANISM**

4 **Q. In the direct testimony of Staff Witness Gonzales, it was discussed that the power**
5 **purchase agreement (PPA) replacement was represented as ** [REDACTED] ** with a**
6 **** [REDACTED] ** reduction in the revenue requirement from the PPA replacement through**
7 **the end of 2025. The conclusion Ms. Gonzales draws from this is that "it is not**
8 **appropriate to account for a replacement value while the PPAs are currently**
9 **active." (Gonzales Dir., p. 7). Do you agree with this statement?**

10 A. No. The very next Question and Answer in Staff Witness Gonzales' direct testimony
11 describes the Commission ordered method for calculating the PPAs. That method
12 describes precisely the following:

- 13 • *A PPA replacement value will be calculated:*
 - 14 ○ *For any renewable compliance standard not met by existing wind PPAs*
15 *through life of the MPPM*
 - 16 ○ *Based on energy from the wind projects being used to meet the*
17 *renewable standards that is not met by the existing solar requirements (e.g.*
18 *currently 2% of Missouri RES)*

19 Section 393.1030.1, RSMo, states: "The Commission shall, in consultation with the
20 department, prescribe by rule a portfolio requirement for all electric utilities to generate
21 or purchase electricity generated from renewable energy resources. Such portfolio
22 requirement shall provide that electricity from renewable energy resources shall
23 constitute the following portions of each electric utility's sales:

24 (1) No less than two percent for calendar years 2011 through 2013;

(2) No less than five percent for calendar years 2014 through 2017;

(3) No less than ten percent for calendar years 2018 through 2020; and

(4) No less than fifteen percent in each calendar year beginning in 2021.”

Q. What is the Missouri retail calendar sales for each year the MPPM has been in effect?

A. The MPPM has been in effect since July 1, 2022. The Missouri retail sales for each year, though not calendar years, are as follows:

- June 1, 2022 – May 31, 2023 – 4,260,535 MWh
- June 1, 2023 – May 31, 2024 – 4,217,890 MWh
- June 1, 2024 – May 31, 2025 – 4,257,338 MWh

Q. What is the Missouri Renewable Portfolio Standard (RPS) sales amount commensurate with those load figures?

A. Missouri retail load would be subject to the same 15% requirement that has been in place since 2021. The corresponding requirement for that period is calculated as:

- July 1, 2022 – June 30, 2023 – 639,080 MWh
- July 1, 2023 – June 30, 2024 – 632,683 MWh
- July 1, 2024 – June 30, 2025 – 638,601 MWh

Q. Are the amounts listed above able to be satisfied from the Wind PPAs and the existing solar requirements (e.g. currently 2% of Missouri RES) per the fourth Stipulation and Agreement in ER-2021-0312?

A. No. It is unequivocally clear that the language referenced in Staff Witness Gonzales’ direct testimony, derived from a Commission Order and Commission approved Stipulation and Agreement, is being followed.

1 **Q. If the Company is following the calculation as described by Commission Order,**
2 **how can there be disagreement in the calculation?**

3 A. It appears there may be some confusion. First, Staff Witness Gonzales refers to
4 Appendix B from the Non-Unanimous Stipulation and Agreement in Case No. EA-
5 2019-0010. Witness Gonzales then states that “As defined in Appendix B – Exhibit C,
6 the allocated benefit of PPA replacement associated with the wind projects is **
7 [REDACTED] ** with a **
8 [REDACTED] ** reduction in the revenue requirement from the PPA
9 replacement through the end of 2025.” However, Ms. Gonzales does not acknowledge
10 that the information provided in Appendix B is simply an example for demonstration
11 purposes. In fact, throughout Appendix B it is noted with the following disclaimer:
12 *“All numbers utilized, unless specified elsewhere in the STIP, are for example only,*
13 *actual values will be input into the calculation during the life of the MPP.”* Further,
14 the figures that Ms. Gonzales refers to in Exhibit C are populated with production
15 values through 2025 for Elk River and 2028 for Meridian Way. Clearly, the figures
16 are for example only given that this document was filed with the Commission on April
17 5, 2019.

18 Second, Ms. Gonzales may have presumed that the PPA Replacement should
19 be **
20 [REDACTED] ** if she utilized the figures provided in Appendix B as actual wind generation
21 rather than updating with the actual production values.

22 **Q. Is there a large difference between the PPA production example figures provided**
23 **in Appendix B and the actual PPA production amounts?**

24 A. Yes. In the Appendix B example, PPA production was approximately 872,375 MWh¹
25 on an annual basis. In reality, the production from the Wind PPAs is approximately

¹ Calculated using the example generation for years 2018-2025.

1 474,120 MWh ²on an annual basis, or roughly 54% of the actual generation as
2 compared to the example generation.

3 **Q. Does that mean that the Wind PPA generation is not enough to meet the Missouri**
4 **RPS?**

5 A. That is correct. In fact, the Wind PPA generation and the 2% solar requirement fail to
6 cover the 15% requirement. This shortfall is precisely why the Company has calculated
7 the MPPM with residual values in the PPA Replacement line in the first 3 years. It is
8 the reality that the Wind PPAs and the 2% solar requirement outlined in the Fourth
9 Partial Stipulation and Agreement do not provide enough renewable generation to meet
10 the Missouri RPS.

11 **Q. OPC Witness Payne states that “Liberty incorrectly included a PPA Replacement**
12 **Value benefit of more than \$8.3 million. Because neither Liberty’s Elk River wind**
13 **PPA nor its Meridian Way wind PPA has expired, the appropriate PPA**
14 **replacement value is zero.” (Payne Dir., p. 4). Do you agree with this assessment?**

15 A. No. As stated above, the Fourth Partial Stipulation and Agreement in Case No. ER-
16 2021-0312 states precisely how the PPA Replacement is to be calculated. There is no
17 Commission Ordered language to support Witness Payne’s statement. The Company
18 calculated the PPA Replacement precisely as it is described in Commission Approved
19 stipulation.

20 **Q. OPC Witness Payne also states that the Company can fulfill its RPS requirements**
21 **through other qualifying renewable resources. Were any renewable resources**
22 **ever discussed as being part of the MPPM during its creation?**

² Calculated using the average generation for all 3 years of the MPPM.

1 A. No. Witness Payne is trying to fundamentally rewrite the MPPM by introducing
2 elements that have not been previously discussed, agreed upon or ordered by the
3 Commission.

4 **Q. OPC Witness Payne claims that a lack of transparency in the MPPM calculation**
5 **raises concerns. Do you agree?**

6 A. No. Witness Payne’s own testimony concedes that “any lost production will, by
7 definition, be reflected in the MPPM calculation.” The additional details he seeks relate
8 only to the circumstances surrounding certain events, not to whether those events were
9 reflected in the MPPM. Put simply, the information he requests would not change the
10 calculation or its outcome.

11 **Q. Does Witness Payne offer any evidence that the MPPM is calculated incorrectly?**

12 A. No. He provides no evidence of improper calculation. His testimony focuses on
13 obtaining more narrative detail, which has no bearing on the integrity or accuracy of
14 the MPPM calculation. Moreover, his proposed method of estimating costs—by
15 hypothetically injecting generation into historical periods—reflects a misunderstanding
16 of organized wholesale electricity markets. Additional generation inherently alters
17 locational marginal prices (“LMPs”), impacting both the marginal energy cost and the
18 marginal congestion cost. Ignoring these market dynamics would result in distorted and
19 unreliable cost estimates.

20 **Q. How would you summarize the impact of these shortcomings on his testimony?**

21 A. These flaws demonstrate that Witness Payne’s claims do not provide a credible basis
22 for questioning the MPPM. His own acknowledgment confirms that loss-of-production
23 events are fully captured in the metric, and his market modeling assumptions are

1 fundamentally flawed. The record contains no evidence that the MPPM is
2 miscalculated, and his transparency concerns do not change that fact.

3 **III. RESOURCE PLANNING**

4 **Q. How do you respond to OPC's repeated allegations of imprudent resource**
5 **planning?**

6 A. OPC has a pattern of using resource-planning allegations in an attempt to advance
7 broader policy objectives, whether that is to justify changes to the Commission-
8 approved fuel adjustment clause or to portray the Company as an ineffective planner in
9 order to damage its credibility. These allegations are often based on selective facts,
10 speculative assumptions, or hindsight evaluation, rather than on a full and fair
11 assessment of the Company's planning process. In multiple cases, including Case No.
12 EO-2022-0040, the Commission has rejected OPC's claims after reviewing the record
13 and found no imprudence in Liberty's planning. Our planning decisions are made
14 through the rigorous, transparent Integrated Resource Planning process, using the best
15 information available at the time and consistent with industry standards.

16 **Q. OPC Witness Mantle alleges that the Company's failures in resource planning**
17 **justify the elimination of the Company's fuel adjustment clause. (Mantle Dir., p.**
18 **22-34). Do you agree with this position?**

19 A. No, I do not. Witness Mantle has made similar allegations in prior proceedings
20 regarding the Company's relationship with its generation fleet and its participation in
21 the SPP Integrated Marketplace. For example, in Case No. EO-2022-0040, Witness
22 Mantle claimed that Liberty's resource planning had shifted "from providing energy
23 that safely and reliably serves its customers' energy needs at just and reasonable rates
24 to maximizing its revenue from the SPP energy markets and relying on other members

1 of the SPP to meet Empire’s customers’ energy requirements.”³ In that case, OPC
2 concluded that the Company had acted imprudently due to its alleged mismanagement
3 of its resource portfolio.

4 However, OPC’s own framing of Liberty’s participation in the SPP Integrated
5 Marketplace has not been consistent. In Case No. ER-2024-0189, while OPC alleged
6 that Evergy had engaged in imprudent resource planning and used that claim as
7 justification for modifying its Commission-approved 95/5 fuel cost sharing mechanism
8 to a 75/25 split, Witness Mantle offered a notably different characterization of Liberty’s
9 market behavior. Specifically, she stated, “Liberty does not rely on the market for
10 energy but takes advantage of the market when it is needed.”⁴

11 This inconsistency illustrates the weakness in OPC’s position. Their claims
12 regarding Liberty’s planning and market participation shift to suit the policy outcome
13 they are pursuing. In this instance, OPC is attempting to leverage generalized
14 allegations of imprudent planning, unsupported by the evidentiary record, as
15 justification for dismantling a Commission-approved fuel adjustment clause. As I
16 discuss further, the Commission has already reviewed similar claims from OPC and
17 found them lacking.

18 **Q. Witness Mantle briefly mentions the Riverton Unit 13 and Unit 14 additions and**
19 **alleges that the Company ought to have known that the ongoing SPP changes to**
20 **resource adequacy and ought to have increased the size of the generators. (Mantle**
21 **Dir., p. 33). How do you respond?**

³ Case No. EO-2022-0040 Mantle Rebuttal, p. 8.

⁴ Case No. ER-2024-0189 Mantle Surrebuttal, p. 13.

1 A. OPC has advanced similar arguments in prior proceedings. For example, in earlier
2 testimony, OPC Witness Robinett asserted that the Company did not act quickly
3 enough and claimed, without evidentiary support, that Riverton Unit 10 was repaired
4 solely to meet replacement criteria. That argument, like the one presented here, failed
5 to acknowledge Missouri’s robust Integrated Resource Planning (“IRP”) process and
6 the Company’s prudent decision to rely on the IRP’s analytical modeling to identify
7 the appropriate generation investment.

8 In this instance, Witness Mantle fails to recognize that the Riverton Unit 13 and
9 Unit 14 replacement project was a direct outcome of the Company’s 2022 Integrated
10 Resource Plan (“IRP”), which was filed on April 1, 2022. At that time, SPP’s ongoing
11 resource adequacy overhaul had not yet been placed under the purview of the Resource
12 and Energy Adequacy Leadership (“REAL”) Team, as that team did not even exist in
13 2022. The first Recommendation Report (“RR”) to increase the SPP Planning Reserve
14 Margin (“PRM”) from 12% to 15% was not submitted for consideration until
15 September 21, 2022. Furthermore, the RR proposing separate PRMs for the Summer
16 and Winter seasons, along with a significant increase to the Winter PRM, was not
17 developed until March 8, 2024.

18 Additionally, Witness Mantle fails to acknowledge that increasing the size of
19 generators selected to replace Riverton Unit 10 and Unit 11 would have precluded the
20 use of SPP’s generator facility replacement process for any capacity above the existing
21 capacity of the units being retired. Such an increase would have required a new
22 generator interconnection request, introducing delays that would have exposed
23 customers to additional risk by prolonging reliance on the nearly 60-year-old units,

1 specifically, units designated as the Company's ** [REDACTED]

2 [REDACTED] **

3 ** [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED] **

10 **Q. OPC Witness Mantle states that Liberty currently has generation resources that**
11 **are not cost effective in the market. In particular, she points at two wind PPAs**
12 **and describes them as having generated ** [REDACTED] ** less revenue than their costs.**
13 **(Mantle Dir., p. 30). Is this a fair and accurate portrayal of those resources?**

14 **A.** No. Witness Mantle's conclusion overlooks several important factors. First, her
15 calculation considers only market revenue and excludes the value of transmission
16 congestion rights ("TCRs"), which for the same period totaled ** [REDACTED] **, more
17 than offsetting her calculated loss. Second, she ignores the renewable energy credits
18 ("RECs") generated by these wind farms, which are either used to meet Missouri's
19 renewable portfolio standard ("RPS") or sold to third parties, with resulting revenues
20 credited back to customers through the fuel adjustment clause. Third, she assigns no
21 capacity value to these resources, despite the fact that they contribute to meeting
22 resource adequacy requirements and can create capacity length that the Company can

⁵ Case No. EA-2023-0131.

1 optimize through sales to third parties, thereby reducing the overall revenue
2 requirement for customers.

3 Finally, Witness Mantle applies a standard to these PPAs that is not used for
4 any other resource. A PPA price reflects an “all-in” cost of generation, unlike utility-
5 owned generation where only fuel costs are reflected in the marginal cost comparison
6 to market revenues. By design, market revenues will not necessarily cover the all-in
7 PPA cost in any given period. Even under this flawed and incomplete metric, these
8 wind PPAs provide substantial and tangible value to customers.

9 **Q. OPC Witness Seaver attacks the Company’s resource planning as he alleges that**
10 **the direct cause of resource accreditation changes at the SPP is due to the goal of**
11 **net-zero carbon emissions, which is achieved by replacing thermal generation**
12 **with wind and solar generation. (Seaver Dir., p. 6). Did SPP make this statement?**

13 A. Based on the materials that I requested from Witness Seaver, no they did not. SPP’s
14 own materials show reforms were reliability driven and performance-based. SPP
15 pointed to a variety of factors that contributed to their resource adequacy reforms: load
16 growth, shrinking reserve margins, retirements of conventional units, changing load
17 shapes, variability of wind/solar output, significant thermal outages during extreme
18 weather, etc. Each of these items affects reliability and the need to measure capacity
19 value accurately. The record shows SPP modernized accreditations to accurately
20 reflect reliability contributions of all resources under evolving system conditions,
21 which does include renewable penetration. However, the purpose and design are to
22 ensure dependable capacity, not to accomplish emissions targets.

23 **Q. OPC Witness Seaver attempts to make a relationship between increased costs and**
24 **the Company’s failure to take advantage of interconnection capability at the**

1 **former Asbury location. (Seaver Dir., p. 9). What is your response to this**
2 **allegation?**

3 A. It is apparent that Witness Seaver's testimony reflects several fundamental
4 misunderstandings regarding the resource planning process, as well as the procedures
5 for generation interconnection and transmission delivery. Specifically, Witness Seaver
6 asserts that Evergy Missouri West utilized the generation interconnection capability at
7 the former Asbury Power Plant for its newly proposed natural gas generation facilities,
8 and that the Company thereby forfeited the opportunity to site new natural gas
9 generation at Asbury, resulting, in his view, in a loss of the location's interconnection
10 value.

11 In OPC's responses to data requests, Witness Seaver ultimately acknowledges
12 that his testimony was factually incorrect in that Evergy did not propose new natural
13 gas generation at the Asbury site, but rather a solar facility. Please refer to **Rebuttal**
14 **Schedule AJD – 1** for copies of the data request responses. The Asbury location has
15 no natural gas infrastructure in its immediate vicinity, making it a challenging location
16 for new natural gas-fired generation. Although an inadvertent misidentification of the
17 generation technology at the Asbury site is not, in isolation, a cause for concern, it is
18 significant in this instance because the error forms the basis of the witness's broader
19 argument. The assertion that the Company's decision not to use the Asbury site for new
20 natural gas generation resulted in a missed opportunity to save customers money is
21 unfounded. The site lacks the fundamental fuel supply infrastructure necessary to
22 support natural gas generation, and meeting those requirements would have
23 necessitated substantial new investment in natural gas delivery infrastructure.

1 **Q. How do you reconcile OPC’s characterization of the Company’s resource**
2 **planning?**

3 A. OPC is clearly attempting to use alleged deficiencies in resource planning as a vehicle
4 to achieve broader regulatory outcomes, either by establishing imprudence as the basis
5 for a disallowance or by advocating for modifications to a Commission-approved fuel
6 adjustment mechanism. In recent dockets, this strategy has become increasingly
7 apparent, as OPC has sought to tie resource portfolio decisions to outcomes in the SPP
8 Integrated Marketplace and then use those outcomes to support financial penalties or
9 structural changes in cost recovery mechanisms.

10 A useful summary of this approach was articulated by the Commission in its
11 Report and Order in Case No. EO-2022-0040. In that case, OPC claimed that Liberty’s
12 resource planning decisions had shifted away from serving customers safely and
13 reliably at just and reasonable rates and instead prioritized revenue maximization in the
14 SPP market. However, after reviewing the record, the Commission rejected OPC’s
15 claims, stating that “Public Counsel has not demonstrated any imprudence in Liberty’s
16 planning process.” The Commission also noted that OPC’s arguments relied heavily on
17 “perfect hindsight”—a standard that has long been rejected in evaluating utility
18 decision-making.

19 This pattern demonstrates that OPC’s claims are less about identifying genuine
20 imprudence in utility planning and more about constructing a narrative to support pre-
21 determined policy outcomes. Whether the objective is to impose disallowances or to
22 shift cost allocation mechanisms, OPC continues to rely on speculative, retrospective,
23 or inaccurate assessments, at times amounting to revisionist history, that fall short of
24 the evidentiary burden required to prove imprudence. By contrast, the Company’s

1 actions are supported by a documented, forward-looking decision-making process
2 grounded in sound planning utilizing the best available information at the time.

3 **IV. NATURAL GAS HEDGING**

4 **Q. In OPC witness Marke's direct testimony, he characterizes Empire's natural gas**
5 **hedging activities as "bad hedging practices" that have an adverse effect on**
6 **customers. (Marke Dir., p. 19-21). Would you agree with this characterization?**

7 A. No. That characterization ignores the proven value of hedging and leans on hindsight.
8 After Winter Storm Uri, our hedges avoided approximately \$50 million in costs for
9 customers, exactly the kind of extreme-price exposure hedging is designed to mitigate.
10 OPC has long opposed utility hedging, most notably in 2016–2017, an effort that led
11 Kansas City Power & Light and KCP&L Greater Missouri Operations (now Evergy)
12 to suspend their programs "until there is a need in the marketplace to hedge again."⁶
13 That is hindsight bias, not prudent risk management.

14 **Q. What became of that OPC effort to curtail hedging?**

15 A. Based on public record, Evergy agreed to unwind its then-existing natural gas hedges
16 and to notify Commission Staff and OPC if it decided to resume. Shortly after Winter
17 Storm Uri's unprecedented gas price spikes, Evergy notified the Commission of its
18 intent to resume fuel hedging activities.

19 **Q. What were the results of Empire's hedging during Winter Storm Uri??**

20 A. As stated above, Empire's hedges reduced customer costs by approximately \$50
21 million during the event.

22 **Q. Has the Company ever been found imprudent for its hedging program?**

⁶ Case No. EO-2017-0065, Rebuttal Testimony John S. Riley, p. 12.

1 A. To my knowledge, no. Since 2016/2017, Empire has undergone multiple prudence
2 reviews in Missouri, and none has found our hedging activities imprudent.

3 **Q. What is the broader risk if OPC succeeds in eliminating a utility's hedging**
4 **program?**

5 A. If hedging is dismantled and a volatility event hits, there is no way to "recreate" the
6 protection after the fact. Hedges must be placed before the storm; once prices spike,
7 customers are fully exposed. That policy choice leaves customers without any practical
8 recourse, no refund, no retroactive coverage, no way to undo the damage. Prudence
9 must be judged ex ante, not with hindsight after markets move.

10 **Q. Can you explain this using the insurance analogy that is often applied to hedging?**

11 A. Hedging is like homeowners' insurance. You don't cancel your policy because you
12 didn't have a fire last year. Canceling may save premiums in quiet years, but if a fire
13 occurs you can't buy retroactive coverage the next morning. The "premium" for
14 hedging is the transaction cost and the occasional year when hedge prices exceed spot;
15 the "payout" is avoided costs and reduced volatility when markets surge. Ending a well-
16 governed hedging program to chase short-term savings simply transfers tail risk to
17 customers with no remedy when the next Uri-type event arrives.

18 **Q. What is the broader takeaway from this debate?**

19 A. OPC's campaign against hedging is short-sighted. Effective hedging isn't about
20 perfect prediction; it's about managing known risks and protecting customers from
21 extreme outcomes. Liberty's performance during Uri demonstrates why a disciplined,
22 Commission-reviewed hedging program is prudent, durable, and in customers' best
23 interests.

1 **V. SPP TRANSMISSION EXPENSE PERCENTAGE ELIGIBLE FOR FAC**
2 **RECOVERY**

3 **Q. Staff Witness Mastrogianis discusses the recovery of SPP transmission expense**
4 **and suggests that the Company should only recover approximately 21.39% of that**
5 **expense through the FAC. (Mastrogianis Dir., p. 12). Do you agree with this**
6 **calculation?**

7 A. No. Liberty should recover 100% of its SPP transmission expense through the FAC.

8 **Q. Why should 100% of transmission expense charged from either SPP or MISO be**
9 **included in Liberty's Missouri FAC?**

10 A. Because these are prudent, unavoidable costs of serving Missouri load in a regional
11 market and the benefits show up immediately. Liberty's participation in SPP under a
12 FERC-approved tariff delivers lower adjusted production costs, congestion relief, and
13 stronger reliability the moment projects go in service. Those costs (e.g., Schedule 11
14 regional/zonal charges and other SPP charges) are largely exogenous to Liberty,
15 fluctuate annually via the Annual Transmission Revenue Requirement (ATRR), and
16 are not within the Company's operational control, much like fuel. Running them
17 through the FAC aligns recovery with a customer's receipt of the benefits, minimizes
18 regulatory lag, and fixes today's mismatch (where only a fraction of SPP and MISO
19 transmission expense flows through the FAC). The resulting rate would reflect the
20 full, prudent cost of keeping the lights on.

21 **Q. How does SPP's planning, cost allocation, and oversight protect customers—and**
22 **why does that support full FAC recovery?**

23 A. SPP's Integrated Transmission Planning process and Highway/Byway cost allocation
24 spread costs in proportion to regional and local benefits, with Missouri's regulators

1 directly at the table through the Regional State Committee. Projects are vetted for
2 reliability and economic value; costs are then allocated via FERC-approved SPP tariff
3 schedules (e.g., Schedule 11 for network upgrades, and Schedules 1-A and 12 for
4 market/OATT administration). These charges are dynamic, formula-driven, and
5 revised regularly, again, like fuel. Including 100% of those prudently incurred SPP
6 transmission expenses in the FAC (not just a percentage) treats them consistent with
7 their nature: necessary, benefit-linked, and time-varying. That structure gives
8 customers the right price signal in real time and ensures Liberty recovers no more and
9 no less than what it must pay to access the regional grid that's delivering those benefits.

10 **VI. FAC REPORTING REQUIREMENTS**

11 **Q. Did Staff witness Mastrogianis make any recommendations regarding the**
12 **Company's semi-annual FAC filings?**

13 A. Yes. Staff recommends that Liberty continue its FAC with modifications and identifies
14 three items that she recommends be included in the Company's FAC filings.

15 **Q. Is the Company in agreement with the three recommended items?**

16 A. Yes

17 **Q. Does Staff also recommend a list of fourteen other items be provided by the**
18 **Company in between rate cases to aid Staff in performing FAC tariff, prudence,**
19 **and true-up reviews?**

20 A. Yes.

21 **Q. Is the Company in agreement with those recommended reporting items?**

22 A. Yes

1 **Q. Did the Company have any errors in its Direct Schedule LP-7 provided with the**
2 **direct testimony of Liberty witness Leigha Palumbo that the Company is**
3 **correcting?**

4 A. Yes. Direct Schedule LP-7 reflected the proposed subaccounts included and excluded
5 from the Company's FAC mechanism. During the discovery process it was determined
6 that two of the accounts were incorrectly labeled within the schedule. Account 456250
7 was incorrectly included in the listing of subaccounts and account 456230 should be
8 replaced with account 409115. These corrections are reflected in **Rebuttal Schedule**
9 **AJD-2.**

10 **VII. TARIFF MODIFICATIONS**

11 **Q. Have you reviewed the recommendations by Staff witness King regarding the**
12 **Company's Emergency Energy Conservation Plan tariff?**

13 A. Yes, the Company has reviewed Mr. King's testimony. While he generally supports
14 the Company's proposed modifications, he objects to the removal of Section D, which
15 outlines essential services and critical loads. Mr. King also recommends additional
16 language to further define the types of critical loads and their prioritization during
17 emergency service interruptions.

18 **Q. How does the Company respond to Staff's recommendations?**

19 A. The Company appreciates Staff's engagement and the intent behind Mr. King's
20 recommendations. However, the Company maintains that its proposed language
21 sufficiently identifies and prioritizes critical loads, while preserving the operational
22 flexibility necessary to maintain system stability during emergency conditions. The
23 additional language suggested by Mr. King largely duplicates existing provisions and
24 introduces constraints that could hinder the utility's ability to respond effectively in

1 crisis situations. Accordingly, the Company respectfully disagrees with Staff's
2 recommendations and urges the Commission to approve the tariff changes as submitted
3 in the Company's application.

4 **Q. Do you agree with the recommendation for updating the Voltage Adjustment**
5 **Factor ("VAF") proposed by Staff witness Bax?**

6 A. Yes. Staff witness Bax relied on an updated loss study provided by the Company, which
7 was completed after the Company's direct testimony. As a result, the originally filed
8 FAC tariff did not reflect the revised VAF. Using the updated study, Staff witness Bax
9 calculated a revised VAF, that more accurately reflects the current system losses. This
10 updated VAF will be incorporated into the Company's FAC tariff at the conclusion of
11 this case.

12 **Q. Does this conclude your rebuttal testimony at this time?**

13 A. Yes.

VERIFICATION

I, Aaron J. Doll, under penalty of perjury, on this 18th day of August, 2025, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Aaron J. Doll