

Exhibit No. 60

Empire District Electric Company – Exhibit 60
Testimony of Timothy N. Wilson
Direct
File No. ER-2024-0261

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Witness: Timothy N. Wilson
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Electric Company d/b/a Liberty
Case No.: ER-2024-0261
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**Before the Public Service Commission
of the State of Missouri**

Direct Testimony

of

Timothy N. Wilson

on behalf of

The Empire District Electric Company d/b/a Liberty

February 26, 2025



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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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1 **I. INTRODUCTION**

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

3 A. My name is Timothy N. Wilson, and my business address is 602 S. Joplin Avenue,
4 Joplin, Missouri, 64801.

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

6 A. I am employed by Liberty Utilities Service Corp. (“LUSC”) as the Central Region,
7 President - Electric which includes all of The Empire District Electric Company’s
8 (“Liberty” or the “Company”) electric operations in Arkansas, Missouri, Kansas and
9 Oklahoma. I am responsible for all aspects of Liberty’s operations.

10 **Q. On whose behalf are you testifying in this proceeding?**

11 A. I am testifying on behalf of Liberty.

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

13 A. I graduated from Pittsburg State University in 2000, with a Bachelor of Science in
14 Education, Mathematics, and I graduated from Missouri State University in 2010 with
15 a Master of Science in Project Management. I began my career with The Empire
16 District Electric Company (now referred to as “Liberty”) 27 years ago in the Building
17 Services Department. Three years later, I was hired as an Associate Planning Analyst
18 in the Strategic Planning Department. I held various other positions within the
19 Company over the next ten years, including Planning Analyst, Energy Trader, Energy
20 Supply Planning and Operations Analyst, and Manager of Renewable and Strategic
21 Initiatives. In 2010, I was named Director of Environmental, Projects and Integration

1 Management and held that position until September of 2017 when I was named the
2 Central Region Director of Electric Operations – Services. In June 2019, I was
3 promoted to the position of Vice President of Strategic Projects and Energy Supply. In
4 that role, my primary responsibilities included managing large capital projects in
5 energy supply and operations for Liberty and ensuring compliance for Liberty’s
6 generation fleet. I was promoted to Central Region, President – Electric in 2023.

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

9 A. Yes, I have submitted written testimony before this Commission and other regulatory
10 commissions, including Arkansas, Kansas and Oklahoma, as well as testified before
11 this Commission.

12 **Q. Have you been involved in the communities served by Liberty outside of your**
13 **work?**

14 A. Yes. It is very important to me to contribute to our local communities. For seventeen
15 years, I served on the Riverton, Kansas Unified School District 404 (USD 404) board
16 of education, serving one year as Vice President and fifteen years as President before
17 stepping down in July 2023. I also recently served on the board of directors of the
18 Southeast Kansas Education Service Center – Greenbush. I look forward to identifying
19 a new opportunity where I can contribute to our local communities.

20 **Q. What is the purpose of your direct testimony in this proceeding?**

21 A. The purpose of my testimony is to provide an overview of our rate application,
22 including the major drivers of the Company’s requested rate relief, an update on service
23 to our customers, and an introduction of the other witnesses that are supporting the
24 Company’s application.

1 **Q. Please provide an overview of the major components of this rate case.**

2 A. In contrast to our last rate case in 2021, which was primarily driven by the Company's
3 acquisition of 600 MW of wind generation, the proposed rate increase in this case is
4 driven largely by utility infrastructure projects. Since our last rate case, the Company
5 undertook transmission and distribution enhancements to upgrade 18 substations and
6 rebuild five substations for improved reliability, increased capacity, and provide
7 alternate switching schematics. To accompany the substation improvements,
8 approximately 80 miles of transmission lines were reconductored with approximately
9 30 miles of newly constructed transmission lines. Additionally, the Company has
10 sectionalized seven distribution circuits, reinforced or replaced 2,296 poles, and added
11 wildlife guards to 5,100 devices and 14 substations in order to protect against and
12 prevent wildlife related outages. In addition, we have replaced our backbone
13 information technology systems and increased cybersecurity protection of our assets.
14 Our case filing also describes some of the Company's plans for the future, including
15 implementation of a Smart Grid program that will be 50% funded by the U.S.
16 Department of Energy and will bring significant reliability improvements to our
17 system. We are particularly proud of this Department of Energy award as the Company
18 was one of only thirty utilities across the United States that was selected for this highly
19 competitive program.

20 **Q. Please identify Liberty's witnesses in this case and the subject matter of their**
21 **testimony.**

22 A. The following is a list of other witnesses that support our request in the case:

Witness	Title	Topic(s)
Dmitry Balashov	Senior Director, Grid Modernization	Study Updates, EV Program Update, Smart Grid Grant Update
Brian Berkstresser	Central Region Senior Director of Generation Operations	Generation Investments
Daniel S. Dane	Consultant	Capital Structure, ROE, Cost of Debt
Aaron J. Doll	Senior Director of Energy Strategy	FAC Transmission Inclusion, New Natural Gas Generation AAO
Shawn Eck	Director of IT Security, Risk, and Compliance	Cyber-Security Programs
Charlotte T. Emery	Senior Director of Rates and Regulatory Affairs	Revenue Requirement, Rate Base, Income and Expense Adjustments, Trackers, New Natural Gas Generator AAO
James A. Fallert	Consultant	Pension, OPEB
Eric Fox	Consultant	Weather Normalization
Nathaniel W. Hackney	Manager, Customer Assistance Programs	Low-Income Programs
Candice Kelly	Manager, Customer Service	Customer Service/Billing
Timothy S. Lyons	Consultant	CCOS, CWC
Leigha Palumbo	Senior Manager of Rates and Regulatory Affairs	General Rate Case and FAC MFRs
Colin Penny	Chief Information Officer	Customer First
John J. Reed	Consultant	FAC Shareholder Split, FAC Transmission Inclusion
Shaen T. Rooney	Director of Strategic Projects	Asbury Decommissioning
Jill Schwartz	Senior Director of Regulatory Policy and Strategy	CAM, Affiliate Allocations
Todd W. Tarter	Senior Manager of Strategic Planning	Fuel Adjustment Base Factor
Jeffrey Westfall	Vice President of Technical Services - Electric	Transmission and Distribution Investments
Michael McCuen	Director of U.S. Tax Planning and Strategy	Excess ADIT

1 **Q. Please provide a brief overview of the Company and its service area.**

2 A. Liberty provides electric service to approximately 184,399 customers, of which
3 164,320 are in Missouri¹. Our Missouri service area is spread across approximately
4 10,000 square miles in southwest Missouri and the adjacent corners of the states of
5 Arkansas, Oklahoma, and Kansas and encompasses 115 communities in 16 counties;
6 most of the communities in our service area are small, with only 33 containing a
7 population in excess of 1,500 and only 13 communities with a population over 5,000.
8 The largest city Liberty serves is Joplin, Missouri, which has a population of
9 approximately 53,000. We serve our customers through 6,462 miles of distribution
10 lines, 1,271 miles of transmission lines, and a diverse generation fleet that produces
11 approximately 5 to 6 million MWh of energy on an annual basis.

12 The economy in the Company's service area includes small to medium
13 manufacturing operations, medical, agricultural, entertainment, tourism, and retail
14 interests. Our operations are regulated by the utility regulatory commissions of each
15 of the four states in which we operate as well as by the Federal Energy Regulatory
16 Commission.

17 **Q. Is the Company's service area unique among regulated electric utilities in**
18 **Missouri?**

19 A. Yes. We serve a large number of smaller load pockets, stretched across a large
20 geographic area characterized by a variety of economic activity in comparison to other
21 investor-owned electric utilities in Missouri that serve large urban and suburban areas.
22 For example, Liberty requires on average 1.5 times the length of distribution line to
23 serve one customer than it does for our peer, Evergy. Given these challenges inherent

¹ As of the end of the Company's proposed test year September 30, 2023.

in our service territory, our job is to find increasingly innovative and cost-effective means of ensuring that communities and businesses that rely on our service can do so 365 days a year, irrespective of weather or other challenges.

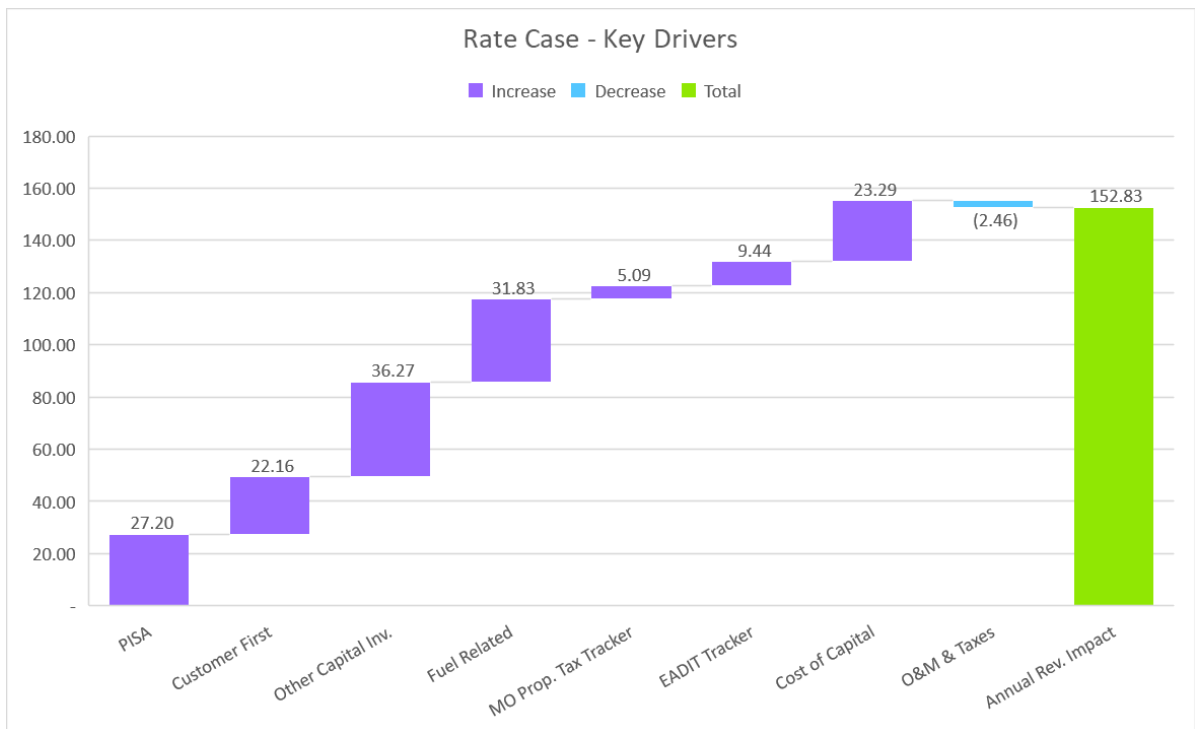
II. PROPOSED RATE INCREASE / REASONS FOR RELIEF REQUESTED

Q. When did Liberty most recently implement a general base rate increase for its electric service?

A. The Company last implemented a general base rate increase on June 1, 2022, based on a test period ending June 30, 2021. Since that time, the Company has made significant investments to serve its customers, necessitating this request.

Q. Please describe the relief Liberty is requesting in this case.

A. The Company is seeking to recover an annual base rate revenue deficiency of \$152,825,837 per year, or a 29.64% increase over total operating revenues. The key drivers of this request are as follows:



1 I recognize that asking customers to pay more is never an easy thing to do, but the
2 investments that underlie our request are in service to customers and critical to our
3 ability to serve them.

4 **Q. What is the single most impactful element of Liberty's value proposition to its**
5 **customers that is new since the last rate application?**

6 A. The investments made to enhance reliability of our service every day to our customers.
7 Liberty witness Brian Berkstresser discusses the capital investments made in Liberty's
8 generation fleet in greater detail, while witness Jeffrey Westfall explains capital
9 investments in the transmission and distribution system.

10 **Q. Why is the Company filing this rate case at this time and what factors were**
11 **considered in making that timing decision?**

12 A. To provide safe and reliable electric service each and every day requires ongoing
13 investments and a substantial amount of operation and maintenance expense. This
14 filing is primarily driven by the investments we have made to maintain, modernize, and
15 improve our infrastructure. Since our last test year, Liberty has invested \$702 million
16 in capital to serve its Missouri customers; as a result of these investments, the Company
17 is not earning its last authorized rate of return of 6.77% established in its ER-2019-
18 0374 rate case. In order to be able to attract the capital necessary to serve our
19 customers, we need to be able to demonstrate that we are recovering the capital we
20 previously spent, along with the costs of our current operating structure.

21 **Q. Has Liberty considered the rate impact of this case in the context of the rate**
22 **impact customers recently experienced from the implementation of the**
23 **securitization charges driven mainly by Winter Storm Uri?**

1 A. Yes, in any decision-making process, Liberty's first priority is evaluating the impact
2 on customers. We recognize that our customers were impacted by the implementation
3 of securitization charges, and they will also be impacted by our request to increase rates
4 in this case. The recently implemented securitization charges were primarily driven by
5 Winter Storm Uri—an unpredictable severe weather event. In an ideal world, the
6 implementation of the securitization charges and the general rate increase requested in
7 this proceeding would not occur contemporaneously. However, the securitization
8 charges and the general rate increase are both independently necessary to capture
9 revenues in order to cover the cost of providing electric service, while allowing Liberty
10 a fair opportunity to earn a return on the investments the Company has made to ensure
11 that electric service is safe, reliable, and environmentally compliant.

12 **Q. Does your rate request include any measures to mitigate the impact of the rate**
13 **increase on customers?**

14 A. Yes. Please refer to the direct testimony of Nathaniel W. Hackney where he outlines
15 the various programs the Company currently has and is proposing within this case to
16 assist our most vulnerable customers with their electric bills. Additionally, to mitigate
17 the rate impact on our customers, the Company is requesting an authorized return on
18 equity ("ROE") of 10.00 percent, while its expert witness, Daniel S. Dane, determined
19 that Liberty's ROE could reasonably be set at 10.4 percent or above.

20 **Q. What strategies are being pursued that will mitigate future rate impacts beyond**
21 **this case?**

22 A. As I mentioned earlier in my testimony, the Company applied for and was awarded a
23 significant grant from the U.S. Department of Energy for "smart grid" technology.
24 Through this grant award, the federal government contributes 50% of the cost of the

1 project, while the Company bears the remaining 50%. This cost-sharing mechanism
2 will directly benefit our customers who will receive 100% of the benefit of the
3 technology upgrades but incur only half of the costs. The details of the grant award are
4 discussed in the testimony of Liberty witnesses Dmitry Balashov and Jeffrey Westfall.

5 **A. Cost Recovery Mechanisms**

6 **Q. Is the Company proposing any changes to its existing cost recovery mechanisms?**

7 A. Yes. Liberty proposes to eliminate the existing sharing mechanism from its Fuel
8 Adjustment Clause (“FAC”) structure, and to recover 100% of transmission costs
9 through the FAC. This proposal is explained in detail in the testimony of Liberty
10 witness John J. Reed, and further discussed by Liberty witnesses Leigha Palumbo and
11 Aaron J. Doll. Additionally, the Company is proposing an environmental cost tracker
12 and an Accounting Authority Order (“AAO”) for new natural gas generation as
13 outlined in the testimony of Liberty witnesses Shaen T. Rooney, Aaron J. Doll and
14 Charlotte T. Emery.

15 **Q. How do the proposed changes in cost recovery mechanisms benefit customers?**

16 A. As Liberty witness Leigha Palumbo explains in her direct testimony, the change to the
17 FAC structure allows customers to develop a more accurate picture of the cost of
18 electric energy. In turn, customers can make informed decisions about implementing
19 energy efficiency measures as needed to lower consumption. In addition, if Liberty is
20 allowed to recover the entirety of its actual fuel and energy costs through the FAC, the
21 Company is able to maintain its strong financial profile and attract financing at the best
22 rates possible, which ultimately benefits our customers.

B. Plant-In-Service Accounting (“PISA”)

Q. Consistent with PISA, does Liberty’s rate case filing reflect PISA deferrals made since the date of Liberty’s election?

A. Yes. RSMo § 393.1400.2 provides that an electrical corporation shall defer to a regulatory asset 85% of all depreciation expense and return associated with all qualifying electric plant recorded to plant-in-service on the utility’s books commencing with the election date. Qualifying electric plant means all rate-base additions except “rate-base additions for new coal-fired generating units, new nuclear generating units, new natural gas units, or rate-base additions that increase revenues by allowing service to new customer premises.” Liberty has made these deferrals for qualifying plant.

III. RETURN ON RATE BASE

Q. What is the most recent rate of return (“ROR”) percentage that the Commission has approved the Company to earn?

A. The Commission most recently approved a 6.77 percent ROR in the Company’s 2019 rate case, Case No. ER-2019-0374, in the Commission’s *Amended Report and Order*, issued July 23, 2020, and effective August 2, 2020,² based on the following calculations:

Capital Structure	Authorized Return on Equity (ROE)	Cost of Debt	Weighted by Capital Structure
Common Equity: 46%	9.25%	—	4.26%
Long-Term Debt: 54%	—	4.65%	2.51%
Approved ROR			6.77%

² In the Company’s last rate case, Case No. ER-2021-0312, the Commission approved a *Fourth Partial Stipulation and Agreement* between the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and Liberty, in the Commission’s *Order Approving Stipulations and Agreements*, issued March 9, 2022 and effective March 19, 2022, where the parties resolved the issue of return on equity as part of a black box settlement.

1 **Q. Is the Company earning its last approved ROR?**

2 A. As mentioned earlier in my testimony, no. As of the end of the Company's adjusted
3 update period (September 30, 2024), the Company's rate of return is 2.75%.

4 **Q. What is the primary factor that has affected the Company's ROR?**

5 A. The significant capital that the Company has invested in the business. Since July 2021,
6 the Company has invested \$702 million which it has not recovered in rates.

7 **Q. Please explain why allowing the Company the opportunity to earn a reasonable
8 return and the Company's financial performance are important.**

9 A. Liberty is an important part of the fabric of southwest Missouri as an employer,
10 corporate citizen, service provider, and investor. As Company witness Daniel S. Dane
11 discusses in more detail, it is important that public utilities are provided an opportunity
12 to earn a reasonable financial return on investment to ensure that they can attract low-
13 cost capital to invest for customers' benefit. For example, capital is required for the
14 Company to make the needed generation, transmission, and distribution investments
15 described by Company witnesses Brian Berkstresser and Jeffrey Westfall. The
16 Company's financial performance affects the capital available to Liberty and that
17 capital's cost, as well as Liberty's ability to continue to provide reliable service to
18 customers. Mr. Dane discusses the basis for his recommended ROE range and the
19 importance of Liberty being permitted the opportunity to earn it.

20 As a public utility, the Company abides by the rules and regulations of the State
21 of Missouri and the Commission. Under the regulatory compact, Liberty provides safe
22 and reliable service in return for a fair opportunity to earn a reasonable return on its
23 investment. Considering the existing revenue deficiency, Liberty's existing rates do
24 not provide it an opportunity to earn a reasonable return.

1 **IV. OPERATIONAL PERFORMANCE OF LIBERTY**

2 **Q. Please comment on how Liberty measures operational effectiveness and efficiency.**

3 A. The generation and delivery of safe and reliable energy to over 164,320 customers
4 across nearly 10,000 square miles of territory in southwest Missouri is a data-intensive
5 business. Every day, there are thousands of operating parameters that are captured,
6 analyzed, and acted upon by the Company. This mode of operation is necessary in
7 order to achieve operational excellence. But in a changing environment with new
8 demands and challenges, Liberty must continuously explore opportunities for
9 improvement. Accordingly, I regularly focus on certain parameters from various
10 parties of Liberty that capture and indicate overall operational effectiveness. The
11 metrics I reference below demonstrate the very strong performance of the Company
12 and our continuous improvement efforts. We have enhanced the safety, operation, and
13 efficiency of our already reliable generation fleet and electrical transmission and
14 distribution network in an environmentally responsible manner at reasonable costs and
15 with exceptional customer service.

16 **Q. What are some of the Company's significant operational efficiency achievements**
17 **with the generation of electricity since its last rate case?**

18 A. While the goal of every generating unit within our fleet is to be available as much as
19 possible and to reduce forced outages as much as possible, there are two projects that
20 stand out which demonstrate operational efficiencies since the last rate case.

21 The first notable project is the completion of the upgrades of the State Line
22 combined Cycle combustion turbines (consisting of "Unit 2-1" & "Unit 2-2"). The
23 Unit 2-2 upgrade was completed in the first half of 2021 and Unit 2-1 was completed
24 in the second half of 2021. The operational efficiencies gained from these upgrades

1 resulted in Unit 2-1 adding more megawatts (“MW”) and improving the heat rate of
2 the turbine. Improvements were also made to increase the operating range of the unit
3 while maintaining environmental compliance.

4 The second notable project was the upgrade of the State Line 1 (“SL1”) combustion turbine. As way of background, SL1 had a normal scheduled maintenance
5 outage planned. However, during that outage, it was discovered there was a serious
6 problem with the unit and the Original Equipment Manufacturer (“OEM”) would not
7 allow it to return to service until the problem was solved. The team began to determine
8 the best course of action and after much data gathering and evaluation, it was
9 determined that a new rotor and blading were needed. This solution resulted in
10 efficiencies by allowing the unit to be returned to service as soon as possible, which
11 minimized the accreditation financial impact from the Southwest Power Pool (“SPP”).
12 Furthermore, this solution allowed for the reset of all the counters pertaining to the
13 blading and rotor, ensuring viability of the unit for years to come. This is important
14 because SL1 is a dual-fuel unit and is a critical unit within our generation fleet as it
15 supports generation output during our peak usage times.
16

17 **Q. Has the Company maintained environmental compliance while improving**
18 **operational excellence with its generation fleet?**

19 A. Yes, Company witness Berkstresser discusses the investments made to our generation
20 fleet to improve our operational excellence, while the fleet had zero Notices of
21 Violation (“NOVs”). Liberty has continued to work with U.S. Fish and Wildlife to
22 complete studies on the gray bat as well as the tri-colored bat and protection of eagles
23 at all three wind sites with the intent of reducing generation curtailment. Please refer
24 to the direct testimony of Company witness Shaen T. Rooney who discusses the

1 decommissioning of Asbury and anticipated changes in environmental regulations as it
2 relates to the Company's wind facilities. Additionally, please refer to the direct
3 testimony of Company witness Charlotte T. Emery who proposes a regulatory
4 mechanism for tracking of costs associated with changes in environmental regulations.

5 **Q. Will you please comment on the Company's efforts to effectively manage capital**
6 **costs?**

7 A. We use Liberty's five-year business planning process to prioritize investments and
8 manage and control costs with accountability. Each line of business proposes a budget
9 with capital projects within the five-year planning horizon. All capital budget
10 proposals are managed within and follow the Company's Capital Expenditure Planning
11 and Management Policy.

12 But our business planning process is not merely a budget exercise—it extends
13 to careful and ongoing evaluation of every operational area of the business. For
14 example, Liberty's triennial Integrated Resource Planning process continuously
15 assesses generation resources to ensure that customer capacity needs are met at the
16 lowest reasonable cost while meeting all environmental compliance requirements.
17 Investment strategies like acquisition of the wind farms in conjunction with a tax equity
18 partnership demonstrate the great care and planning that Liberty undertakes to ensure
19 that we safely and reliably serve customers long into the future, at a reasonable cost.
20 The evaluation of the need for a base rate adjustment sought in this proceeding has been
21 performed with the same level of detail and forethought as these other planning
22 processes.

23 **Q. How does Liberty incentivize and motivate its employees to achieve operational**
24 **efficiencies for the benefit of customers?**

1 A. I am proud of the fact that our employees demonstrate an intrinsic motivation to
2 conduct business operations efficiently with a customer-driven mindset. The
3 experience, expertise, and seniority of Liberty employees involved in day-to-day
4 operations help to drive routine efficiencies. In addition, Liberty compensates its
5 employees based in part on the underlying philosophy that the Company benefits when
6 employees' interests align with the long-term interests of the Company and its
7 customers. Liberty employees are rewarded for attaining operational excellence
8 through certain incentive-based compensation plans, which incentivize strong
9 performance in areas such as safety, reliability and security, customer experience, and
10 affordability. Customers benefit when our employees are focused on providing the best
11 quality electric service at the lowest reasonable cost, and though we are fortunate to
12 have employees who are innately driven to improve efficiencies for the benefit of our
13 customers, our incentive-based compensation programs provide an avenue for us to
14 recognize those employees for their diligent work and to ensure that Liberty is
15 continuously setting concrete, attainable, and measurable goals to improve operations.

16 **Q. The Company recently implemented new backbone information technology**
17 **systems, including a Customer Information System. Did implementation of those**
18 **new systems influence the timing of filing this case?**

19 A. In April 2024, Liberty began using new systems to bill our customers. With any
20 system implementation, there are transitional issues as we acclimate to the new system.
21 I am aware that some of our customers have experienced delays in receipt of their bills,
22 and, in some cases, issues with the accuracy of their bills. While we originally planned
23 on filing this case in May 2024, we decided to wait until early November to file the
24 case in order to provide additional time for our employees to learn how to navigate the

1 new systems and work out any challenges from the transition. I am aware that there is
2 more work to do in this regard, but I am also confident that we have adapted to our new
3 systems and that any remaining challenges are very limited in nature.

4 **Q. Have you taken any specific actions to address customer billing concerns?**

5 A. Absolutely. In August 2024, we dedicated a team of resources from both the Company
6 and IBM, our system implementor, to resolve outstanding billing exceptions. In
7 addition, we are holding a series of open houses in Joplin, Branson, and Bolivar for our
8 customers so that we can sit down with customers to hear and resolve their concerns.
9 We remain committed to serving our customers well and understand their frustration
10 with our rollout of the new system. I am fully committed to taking the necessary steps
11 so that bills are issued in an accurate and timely fashion.

12 **Q. Has the Company informed the Commission of the progress of the Customer First**
13 **Transition?**

14 A. Since the final step of Customer First went live on April 8, 2024, the Company has
15 provided multiple updates to the Commission. Liberty filed an interim update on June
16 7, 2024, in Case No. EE-2024-0232, to inform the Commission and other interested
17 parties on the status of the transition, and the Company later filed a detailed Status
18 Report on August 6, 2024, in the same docket.

19 **V. COMMITMENT TO OUR CUSTOMERS / COMMUNITY OUTREACH /**
20 **ECONOMIC DEVELOPMENT AND COMMUNITY SERVICE**

21 **Q. Please describe the Company's philosophy towards its customers.**

22 A. We know that the electric service we provide is critical to our customers and their daily
23 lives. It is of the utmost importance to the Company that our customers have positive
24 experiences when interacting with Liberty and Liberty employees. Many of our

1 employees are also our customers, and our employees and their families live, work, and
2 attend school in the communities that we have the privilege to serve. Our goal is to
3 provide an excellent customer experience by providing high-quality, affordable electric
4 service year-round, during severe weather events, blue sky days, and everything in
5 between. We want to continuously offer modern technologies and software
6 platforms—like AMI and Customer First—so that our customers, today and in the
7 future, have access to the best available information about their electricity usage, and
8 so that our customers are able to understand and make timely payments on their electric
9 bills in a convenient manner.

10 **Q. Has the Company taken any recent significant actions designed to benefit**
11 **customers since the last rate case?**

12 A. In line with our Company philosophy, we are always thinking of ways to benefit our
13 customers and improve the customer experience. Since the last rate case, one notable
14 action the Company has taken is creating a new position, Manager of Customer
15 Assistance Programs, to oversee items of compliance and program management for
16 low-income customer programs in the Central Region. Our Manager of Customer
17 Assistance Programs, Nathaniel W. Hackney, has excelled in this role since its
18 inception in September 2022. His testimony details the benefits that customers have
19 received as a result of Liberty's low-income programs.

20 As previously discussed, Liberty also recently implemented its modern
21 technology platform, Customer First, to enhance the customer experience in a number
22 of ways, including through a redesign of customer bills, upgraded phone payment
23 capabilities, and an improved survey and feedback system. Liberty plans to deploy an
24 enhanced text messaging system to alert customers about any electric emergencies or

1 other important events about their electric service. These necessary technology
2 upgrades are discussed in detail by Company witness Colin Penny in his testimony.

3 **Q. Has Liberty made changes to its commitments to low-income customers since the**
4 **last rate case?**

5 A. Liberty remains steadfast in its commitment to assisting low-income customers. In the
6 last rate case, Liberty made several commitments to supporting low-income customers
7 and prioritizing affordability of electric service. For example, Liberty committed to
8 continuing its Low-Income Pilot Program (“LIPP”) and reallocating any unspent LIPP
9 funds to Liberty’s Low-Income Weatherization Assistance Program (“LIWAP”).
10 Liberty also committed in the previous rate case to developing its Critical Medical
11 Needs Program (“CMNP”) to aid low-income customers with professionally-attested
12 medical needs for electricity.

13 As Mr. Hackney discusses in his testimony in this case, Liberty is proposing to
14 bolster its commitment to affordability by resuming administrative control of the
15 LIWAP, maintaining its CMNP, and continuing to meet with low-income stakeholders
16 annually. In addition, Liberty proposes to repurpose the LIPP program to create a new
17 program, tentatively called the Fresh Start Plan, in order to offer a larger stipend to
18 customers based on customers’ State Median Income levels.

19 **Q. Has Liberty continued to make significant charitable contributions?**

20 A. Yes. Liberty stakeholders contribute \$250,000 annually to the LIPP, \$300,000 for
21 LIWAP, and \$50,000 annually to the CMNP. Liberty also regularly makes charitable
22 contributions to the communities and institutions within its service territory through
23 sponsorships and donations benefitting organizations including schools, local sports
24 teams, performing arts organizations, and non-profit entities.

1 **Q. Do the Company and its employees also support the communities and institutions**
2 **in the Company's service territory?**

3 A. Absolutely. Liberty and its employees continuously demonstrate support for our local
4 communities and institutions. For example, the Liberty Days program encourages
5 employees to get involved in their communities, allowing each Liberty employee to
6 use three paid annual workdays to complete an act of community service. In addition,
7 Liberty partners with the Missouri Southern Foundation to fund eight annual
8 scholarships for Missouri Southern State University students. Liberty is also well-
9 known for its environmental efforts—including hosting an annual tree giveaway on
10 Earth Day and partnering with the Missouri Department of Conservation to foster
11 peregrine falcon recovery. These examples provide just a sampling of the countless
12 efforts that Liberty and its employees undertake to support and improve the lives of the
13 people we serve each day.

14 **Q. Please briefly describe the importance of economic development to the Company**
15 **and its customers.**

16 A. First and foremost, economic development is essential to ensure that the citizens in the
17 communities Liberty serves are meaningfully employed, have opportunities to create
18 and expand businesses and industries in southwest Missouri, and enjoy the benefits
19 associated with an increased tax base in their communities. Moreover, the addition or
20 expansion of business and industry results in increased load, which benefits all
21 customers by spreading Liberty's fixed costs of providing electric service and lowering
22 customer rates.

23 **Q. Please describe some of the ways in which Liberty promotes economic**
24 **development in the communities it serves.**

1 A. One way that Liberty promotes economic development in southwest Missouri is
2 through its Economic Development Rider. This service schedule incentivizes new
3 industrial and commercial business development. Since implementing the Economic
4 Development Rider, we have seen commercial expansions and the creation of new jobs
5 within Liberty's service territory.

6 In addition, Liberty dedicates specific resources to attract new businesses for
7 purposes of economic development. For example, Liberty has purchased a license to
8 LocationOne Information Systems to showcase available sites and buildings within the
9 Missouri service territory on Liberty's website. This database attracts potential partners
10 for economic development opportunities and demonstrates the Company's
11 commitment to streamlining and facilitating economic growth in the communities that
12 Liberty serves.

13 **VI. VALUE OF ELECTRIC SERVICE AND AFFORDABILITY**

14 **Q. In general, why is Liberty's proposed rate increase reasonable and appropriate?**

15 A. Liberty's proposed rate increase is reasonable and appropriate because it is driven
16 primarily by the need to make the investments necessary to keep our electric service
17 safe and reliable. Such investments cannot be avoided and are in the long-term best
18 interests of our customers. If such investments are not made, our customers will be
19 adversely impacted in the long run, as costs will continue to increase.

20 **Q. How does Liberty maintain the affordability of its electric service?**

21 A. An important way that we maintain affordability is by continuously seeking to improve
22 our business processes and make investments that improve operational efficiencies, and
23 we have been very successful in doing so. We use targeted investments to permit us to
24 work smarter and more efficiently as well as leveraging the power of our organization

1 to share learnings on best practices, and to purchase equipment and supplies at
2 advantageous terms. All of these help us manage and contain cost increases.

3 **VII. INDUSTRY TRENDS**

4 **Q. Can you comment on the current utility industry trends?**

5 A. There are a number of trends currently impacting the utility industry. One such trend
6 is an increased focus on cybersecurity. As discussed in depth in the testimony of
7 Liberty witness Shawn Eck, utilities are exposed to an increasingly complex and
8 dangerous cybersecurity threat landscape, requiring continuous attention, maintenance,
9 and updates to meet and anticipate evolving threats in order to protect critical
10 infrastructure and mitigate cybersecurity risk.

11 **Q. How is the Company strategically responding to the growing cybersecurity threat**
12 **landscape?**

13 A. Liberty is strategically responding by introducing a comprehensive and ongoing five-
14 year Cybersecurity Program initiative to implement and improve cybersecurity
15 capabilities aimed to adequately defend threats to corporate systems, data, and
16 operational assets. Liberty's customers will benefit from an agile and responsive
17 Cybersecurity Program that allows for proactive security actions and orchestrated
18 responses to malicious activity. Mr. Eck describes the details and reasonable costs
19 associated with the Cybersecurity Program in his testimony.

20 **VIII. CONCLUSION**

21 **Q. Do you have a recommendation for the Commission?**

22 A. Yes. Liberty continues to focus on the delivery of reliable energy services to our
23 customers. We are engaged with our customers and the communities in which we serve
24 across our service territory. Our Company is a leader in economic development in

1 southwest Missouri to encourage growth and the availability of reasonably-priced
2 energy. Continuing to serve our customers with reliable energy requires the funding
3 described in our rate case filings. For these reasons, the Commission should authorize
4 the proposed increase in revenues through adjustments to Liberty's base rates, along
5 with the other specific forms of relief we have requested. By obtaining the requested
6 relief, Liberty hopes to continue providing safe, reliable, and excellent service to our
7 customers in the future.

8 **Q. Does this conclude your direct testimony at this time?**

9 **A. Yes.**

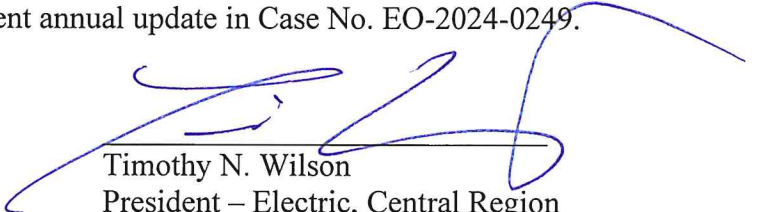
VERIFICATION

I, Timothy N. Wilson, under penalty of perjury, on this 26th day of February, 2025,
declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Timothy N. Wilson

VERIFICATION

In accordance with 20 CSR 4240-22.080(18), the undersigned states that this base rate adjustment request is substantially consistent with the preferred resource plan specified in the most recent triennial compliance filing made by The Empire District Electric Company d/b/a Liberty ("Liberty"), Case No. EO-2021-0331. It is also substantially consistent with the preferred resource plan submitted in Liberty's most recent annual update in Case No. EO-2024-0249.



Timothy N. Wilson
President – Electric, Central Region
The Empire District Electric Company d/b/a Liberty