

## Exhibit No. 116

Staff – Exhibit 116  
Testimony of Antonija Nieto  
Direct  
File No. ER-2024-0261

*Exhibit No.:*

*Issue(s): State Line Water Usage,  
Southwest Power Pool  
Revenues and Expenses,  
Entergy Transmission  
contract, Fuel Inventories,  
Fuel and Purchased Power  
– Fixed Costs,*

*Witness: Antonija Nieto*

*Sponsoring Party: MoPSC Staff*

*Type of Exhibit: Direct Testimony*

*Case No.: ER-2024-0261*

*Date Testimony Prepared: July 2, 2025*

# **MISSOURI PUBLIC SERVICE COMMISSION**

## **FINANCIAL AND BUSINESS ANALYSIS DIVISION**

### **AUDITING DEPARTMENT**

#### **DIRECT TESTIMONY**

#### **OF**

#### **ANTONIJA NIETO**

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

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

*Jefferson City, Missouri  
July 2025*

**TABLE OF CONTENTS OF**

**DIRECT TESTIMONY OF**

**ANTONIJA NIETO**

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

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

|                                                             |   |
|-------------------------------------------------------------|---|
| STATE LINE WATER USAGE .....                                | 1 |
| SOUTHWEST POWER POOL (“SPP”) REVENUES AND EXPENSES .....    | 2 |
| SPP Transmission Revenues .....                             | 2 |
| SPP Transmission Expenses .....                             | 3 |
| Ancillary Services Market (“ASM”) Revenue and Expense ..... | 3 |
| Miscellaneous SPP Related Revenues and Expenses .....       | 4 |
| ENTERGY TRANSMISSION CONTRACT.....                          | 4 |
| FUEL INVENTORIES .....                                      | 5 |
| Coal Inventory.....                                         | 5 |
| Fuel Oil Inventory .....                                    | 6 |
| FUEL AND PURCHASED POWER.....                               | 6 |
| Fuel Prices .....                                           | 7 |
| Fixed Costs.....                                            | 8 |

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2

2

3

4  
5

6

7

8

O

1

3

4

7

9

## 1

2

1           A.     The primary use of water at the State Line generation plant is in the cooling  
2 tower during the steam cycle of the combined cycle plant. Missouri American Water Company  
3 (“MAWC”) supplies State Line with water necessary for a sufficient operation of the plant  
4 under MAWC’s Rate J Schedule within a contract with the Empire District Electric Company  
5 d/b/a Liberty (“Empire”).

6           Q.     How did Staff approach this issue?

7           A.     Staff requested all invoices Empire received from MAWC during 2022, 2023,  
8 2024, and the most current. Staff compared actual invoiced amounts during the test year to the  
9 invoiced amounts during the update period and made appropriate adjustment to reflect the most  
10 current expenses.

11 **SOUTHWEST POWER POOL (“SPP”) REVENUES AND EXPENSES**

12 **SPP Transmission Revenues**

13          Q.     Please describe SPP revenues received by Empire.

14          A.     Empire receives revenues from SPP to reimburse it for costs associated with  
15 transmission of electricity to other SPP members. According to Empire’s response to Staff Data  
16 Request No. 0065: “The system revenues included in account 457137 are related to firm  
17 Point-to-Point service, also know as Schedule 7. Schedule 7 transmission service is for the firm  
18 receipt of capacity and energy at designated Point-of-Receipt and the transmission of such  
19 capacity and energy to designated Point-of-Delivery.”

20          Q.     How did Staff account for SPP revenues?

21          A.     Staff reviewed the monthly amount of revenues received from SPP from  
22 July 2021 to September 30, 2024, for any trends in the data that would indicate a revenue  
23 amount other than the test year revenue amount would be appropriate to include in the cost of

1 service. Staff's review determined the total amount of revenues received from October 2023  
2 through September 2024, the end of update period in this case, is the most appropriate amount  
3 to use to normalize the SPP Transmission revenues.

#### 4 **SPP Transmission Expenses**

5 Q. Please provide a brief overview of SPP Transmission expenses.

6 A. The SPP is a not-for-profit, regional transmission organization ("RTO") which  
7 maintains functional control over the transmission assets of its members and provides  
8 transmission service through its Federal Energy Regulatory Commission ("FERC") approved  
9 Open Access Transmission Tariff ("OATT"). SPP's cost of providing transmission service  
10 must be recovered from its member companies, including Empire.

11 Q. How did Staff account for SPP Transmission expenses?

12 A. Staff reviewed the monthly amount of SPP transmission expense incurred by  
13 Empire since July 2021 for any trends in the data which would indicate that an expense amount  
14 other than the test year expense amount would be appropriate to include in the cost of service.  
15 Staff's review determined the total amount of expense incurred in the period of October 2023  
16 through September 2024, the end of update period in this case, is the most appropriate amount  
17 to use to normalize the SPP Transmission expense.

#### 18 **Ancillary Services Market ("ASM") Revenue and Expense**

19 Q. Please provide a brief overview of Empire's association with ASM.

20 A. Empire began participating in SPP's ASM in March 2014 to acquire ancillary  
21 services for its retail load and to also be able to provide these services to other SPP members  
22 from its own generation, when available. Ancillary services generally refer to the services

1 necessary to support the transmission of capacity and energy from resources to loads while  
2 maintaining reliable operation of the transmission system.

3 Q. How did Staff account for ASM revenues and expenses?

4 A. Staff reviewed the monthly amount of ASM revenues and expenses since  
5 July 2021 for any trends in the data which would indicate that revenue and expense amounts  
6 other than the test year revenue and expense would be appropriate to include in the cost of  
7 service. Staff's review determined that the test year period amount for revenues and an average  
8 of two-year period ending September 30, 2024, end of update period in this case for expenses,  
9 are the most appropriate methods for annualizing these revenues and expenses.

#### 10 **Miscellaneous SPP Related Revenues and Expenses**

11 Q. Briefly describe Staff's approach to Empire's miscellaneous SPP related  
12 revenues and expenses.

13 A. Empire has received certain miscellaneous revenues related to Point-to-Point  
14 service, also known as "Schedule 7".<sup>1</sup> Empire also incurred expenses as a result of participating  
15 in SPP's Integrated Market beginning in 2014. Staff reviewed the monthly amount of these  
16 revenues and expenses since July 2021 for any trends in the data and determined that the test  
17 year period ending September 30, 2023, is the most appropriate method of annualizing these  
18 revenues and expenses.

#### 19 **ENTERGY TRANSMISSION CONTRACT**

20 Q. Please briefly describe the contract Empire has with Entergy Solutions, Inc. and  
21 Staff's approach to it.

---

<sup>1</sup> Response to Staff Data Request No. 0065 in ER-2024-0261

1           A.     Empire has a contract with Entergy Solutions, Inc. for firm point-to-point  
2 transmission service to transmit power generated from the Plum Point Energy Station to  
3 Empire. Staff included an adjustment that annualizes the cost of this service at the current  
4 contract rate effective September 30, 2024.

5     **FUEL INVENTORIES**

6     **Coal Inventory**

7           Q.     Please provide some background information on coal inventory  
8 related to Empire.

9           A.     Empire operates in four retail jurisdictions: Arkansas, Kansas, Missouri,  
10 and Oklahoma. “Native load” is the kilowatt or megawatt demand placed upon Empire’s  
11 electric system by its regulated retail electric customers. To determine the amount of coal  
12 inventory, the average daily burn by unit must be calculated. The average daily burn by unit is  
13 derived by dividing the annualized tons burned by the difference between 365 days and the  
14 number of annual planned outage days. Then, the average daily burn is multiplied by an  
15 appropriate number of days of inventory for each plant resulting in a burn inventory.

16          Q.     How did Staff account for Empire’s coal inventory?

17          A.     Staff used the results of its fuel model to calculate the annual amount of coal  
18 used by each Empire generating plant to meet its total company normalized native load.

19               Staff used a 60-day calculation to establish Empire’s rate base investment in the coal  
20 inventory maintained both at Evergy Metro’s Iatan Generating Stations (Empire is a 12% owner  
21 of Iatan 1 and 2) and Plum Point Energy Associates, LLC’s Plum Point Energy Station  
22 (Empire is a 7.52% owner of Plum Point).



Staff multiplied resulting burn inventory for each unit by the delivered cost of coal per ton for that unit. To this total, Staff added the fixed cost of basemat coal first established in a past Empire rate case, Case No. ER-2011-0004, for each unit, except for Plum Point. Basemat coal is the bottom portion of a coal pile that is not usable as fuel due to contamination by soil, clay, and other contaminants. The basemat coal for Plum Point unit is capitalized as part of plant in service costs. Staff multiplied the total cost of the burn inventory and basemat coal by Staff's energy jurisdictional factor to arrive at Missouri allocated amount, with the result reflected as part of Fuel Inventories in Accounting Schedule 2, Rate Base Fuel.

#### **Fuel Oil Inventory**

Q. How did Staff account for Empire's fuel oil inventory?

A. Staff used the 13-month average inventory quantities and a weighted average price for oil inventory levels as reported in the Company's Coal and Oil Inventory Reports provided in response to Staff's Data Requests Nos. 0018 and 0416.

#### **FUEL AND PURCHASED POWER**

Q. What types of fuel does Empire use to generate electricity?

A. According to Empire's response to Staff's Data Request No. 0041, Empire uses coal, natural gas, oil, hydro, and wind.

Q. How did Staff determine the cost of generating electricity?

A. Staff calculated fuel prices by examining actual historical cost of each type of fuel. That price of fuel was then used as an input to Staff's fuel model. Staff's fuel model is supported in direct testimony of Staff's witness Shawn Lange.

**FUEL PRICES**

Q. How does Staff include fuel prices in its calculation?

A. Generally, Staff computes its levels of fuel expense using prices and quantities contracted by Empire for delivery during the test year and update period. These fuel prices include price of coal, natural gas, and oil, as well as associated transportation charges.

**a. Coal Prices**

Q. How did Staff determine coal prices?

A. Staff determined its coal price by generation facility based on a review and analysis of Empire's current coal purchase and coal transportation contracts. For the Plum Point unit, Staff's recommended coal prices reflect the actual contracted coal purchase and transportation prices in effect for 2024. For the Iatan 1 and 2 units, Staff recommended coal prices reflect Evergy Metro's projected weighted average contracted coal purchase and transportation prices for 2024.

**b. Natural Gas Prices**

Q. How did Staff determine natural gas prices?

A. The natural gas price recommended in this case by Staff of \$3.43 per MMBtu<sup>2</sup> is composed of two components: hedged and non-hedged ("spot") prices. Staff calculated the non-hedged component of natural gas prices using a twelve-month weighted average of Empire's actual commodity cost of natural gas purchased on the spot market during the twelve months ending September 30, 2024. The weighted average price for the non-hedged component is \$2.99 per MMBtu. Staff calculated the hedged component of natural gas costs by applying a weighted average for the actual hedged purchases contracted for September 30, 2024, that is

---

<sup>2</sup> Million British thermal units

1 applicable to Empire's forecasted gas needs for the twelve months ending September 30, 2024.  
2 The weighted average price for the hedged component is \$3.763 per MMBtu. Staff weighted  
3 the hedged gas price at 56% of its overall gas price recommendation. Empire's natural gas  
4 transportation costs are annualized and normalized separately as a part of fuel  
5 transportation costs.

6 **c. Fuel Oil Prices**

7 Q. How did Staff calculate fuel oil prices?

8 A. Staff used a weighted average price of 2,116.68 cents per MMBtu to determine  
9 the fuel oil cost input in the fuel model in this case. Staff calculated this weighted average price  
10 by: (1) converting each month's number of barrels purchased over a 13-month period into  
11 gallons; (2) dividing a total month's purchase in gallons by that month's total purchase costs to  
12 derive an average monthly price per gallon; (3) summing the totals for the 13-month period to  
13 calculate a weighted 13-month average cost per gallon, and (4) converting this per gallon price  
14 into the cents per MMBtu.

15 Q. Does Empire engage in hedging for oil costs?

16 A. No. Empire burns fuel oil mainly as a secondary fuel or, in some instances,  
17 for flame stabilization. Empire maintains onsite storage at its various facilities in sufficient  
18 capacity that only occasional purchases are necessary. As a result, Empire does not contract for  
19 or hedge oil costs.

20 **Fixed Costs**

21 Q. What fixed costs did Staff include in its fuel cost calculation?

22 A. Staff does not include fuel and purchased power costs that do not vary directly  
23 with fuel burned in its fuel model. Those costs are determined separately. The non-variable

1 purchased power costs are referred to as capacity charges and gas transportation costs are  
2 annualized separately from the variable costs included in Staff's fuel model.

3 **a. Gas Transportation Costs**

4 Q. How are gas transportation costs determined?

5 A. The costs of transporting gas are determined separately from fuel model costs  
6 and are added to the level of fuel expense calculated by the model to determine overall fuel  
7 expense. Staff annualized the natural gas transportation expense based on Empire's current  
8 contractual obligations with Southern Star Central Gas Pipeline, which began on  
9 January 1, 2010 and is still active and a new base contract for the sale and purchase of natural  
10 gas established under the North American Energy Standards Board with Concord Energy LLC  
11 entered into on March 2, 2022.

12 **b. Purchased Power – Capacity Charges**

13 Q. Briefly describe Staff's approach to purchased power costs.

14 A. In addition to its ownership interest in the Plum Point unit through Plum Point  
15 Energy Associates, LLC, Empire contracts for a reservation of 50 MW capacity from Plum  
16 Point. For this 50 MW of power, Empire pays for a fixed component and an energy component.  
17 The fixed amounts Empire pays are referred to as capacity charges. Generally, there is an  
18 amount for Plum Point operation and maintenance costs included within the energy charge.  
19 The fixed component is paid as a "demand charge," generally on a monthly basis, regardless of  
20 the level of power actually purchased. This amount provides the capacity rights needed to meet  
21 SPP's resource adequacy requirements. The demand charges are intended to cover part of the  
22 fixed expenses of operating a generating facility.

Direct Testimony of  
Antonija Nieto

1 Q. Did Staff make an adjustment to purchased power costs in this case?

2 A. Yes. Staff's adjustment to purchased power expense in this case annualizes  
3 demand charges for Empire's Plum Point Purchase Power Agreement.

4 Q. Does this conclude your direct testimony?

5 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

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

Case No. ER-2024-0261

**AFFIDAVIT OF ANTONIJA NIETO**

STATE OF MISSOURI                     )  
                                              )  
COUNTY OF Jackson                )     ss.

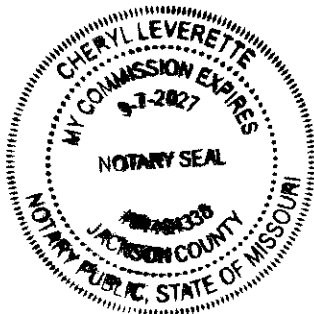
**COMES NOW ANTONIJA NIETO** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Direct Testimony of Antonija Nieto*; and that the same is true and correct according to her best knowledge and belief.

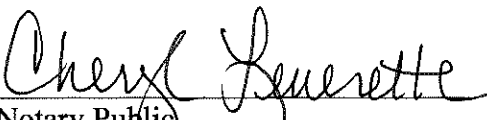
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**ANTONIJA NIETO**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Jackson, State of Missouri, at my office in Kansas City, on this 26th day of June 2025.



  
\_\_\_\_\_  
Notary Public

## Antonija Nieto

### **Educational and Employment Background and Credentials**

I am currently employed as a Lead Senior Utility Regulatory Auditor for the Missouri Public Service Commission (“Commission”). Previously I was employed by Lauterbach, Borschow and Company, P. C. in El Paso, TX as an auditor specializing in financial institutions audits from January 2008 to November 2009. I earned a Bachelor of Accounting from New Mexico State University in December 2006 and a Master of Accounting with minor in Management, also from New Mexico State University in December 2007. I have been employed by the Commission since October 2016.

As a Lead Senior Utility Regulatory Auditor, I perform rate audits and prepare miscellaneous filings for consideration by the Commission. In addition, I review all exhibits and testimony on assigned issues, develop accounting adjustments and issue positions which are supported by workpapers and written testimony. For cases that do not require prepared testimony, I prepare Staff Recommendation Memorandums.

Cases in which I have participated and the scope of my contributions are listed below:

| <b>Case/Tracking Number</b> | <b>Company Name- Type of Case; Issues</b>                                                                                                                                                                                                |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GR-2025-0107                | <b>Spire, Inc.</b><br>Capitalized O&M Depreciation, Credit Card Fees, Energy Efficiency, Energy Affordability, and Red Tag Balances, Insulation Financing – Energy Wise, ISRS Investment Assessment - Testimony                          |
| ER-2024-0961                | <b>Liberty (Empire) Electric</b><br>Fuel and Purchased Power – Entergy Transmission Contract, Fuel and Purchased Power Fixed Costs, Fuel Inventories, Outside Services, Southwest Power Pool Revenue and Expense, State Line Water Usage |
| GR-2024-0369                | <b>Ameren Missouri</b><br>Cash Working Capital, Call Center Costs, Paperless Bill Credit Revenue Imputation and Test Year Expense Removal, Property and Facility Sales, Donations, and Facility O&M                                      |
| SA-2024-0129                | <b>Confluence Rivers</b><br>Certificate of Convenience and Necessity                                                                                                                                                                     |

cont'd Antonija Nieto

| Case/Tracking Number         | Company Name- Type of Case; Issues                                                                                                                                                                                                                                                                             |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GA-2024-0100                 | <b>Spire, Inc.</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                                 |
| WR-2024-0014                 | <b>Gascony Water Company</b><br>Rate Increase Request                                                                                                                                                                                                                                                          |
| ER-2024-0189                 | <b>Evergy Missouri West</b><br>Bad Debt Expense and Tracker, Depreciation Clearing, Depreciation Expense, Forfeited Discounts, IT Software Maintenance, Pensions and OPEBs, Plant in Service and Accumulated Depreciation, SERP, Severance Costs, Transmission Revenue and Expense and SPP Administrative Fees |
| GA-2024-0100                 | <b>Spire, Inc.</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                                 |
| SA-2024-0129                 | <b>Confluence Rivers</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                           |
| WM-2024-0065                 | <b>Confluence Rivers</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                           |
| GA-2023-0389                 | <b>Spire, Inc.</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                                 |
| SA-2023-0346<br>WA-2023-0345 | <b>Missouri-American Water Company</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                             |
| WA-2023- 0418                | <b>Misty Water Works</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                           |
| SA-2023-0215                 | <b>Confluence Rivers</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                           |



cont'd Antonija Nieto

| Case/Tracking Number         | Company Name- Type of Case; Issues                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ER-2022-0337                 | <b>Ameren Missouri</b><br>Non-Labor Power Plant Maintenance, Software and Cybersecurity Revenues and Expenses, Call Center Costs, Plant in Service Accounting (PISA), Insurance Expense, Advertising Expense, Lobbying Expense (including MEDA), Dues and Donations, Edison Electric Institute (EEI), Customer Convenience Fees, Wind Generation Operations and Maintenance Expense, Callaway Refueling Non-Labor Expense, Callaway Unplanned Outage Expense/Capital                                                 |
| EA-2022-0328                 | <b>Evergy Missouri West</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ER-2022-0129<br>ER-2022-0130 | <b>Evergy Missouri Metro and Evergy Missouri West</b><br>Advertising, Customer Advances, Customer Deposits, Dues and Donations (EEI), EMS Run, Material and Supplies, Prepayments, Lobbying, Accounts Receivable Bank Fees, Debit/Credit Card Processing Fees, Economic Relief Pilot Program, Renewable Energy Standard Amortization, Regulatory Asset Amortizations, Injuries and Damages, Insurance, IT Software Maintenance, Maintenance, Wolf Creek Nuclear Refueling Outage, Plant in Service Accounting (PISA) |
| GO-2022-0171                 | <b>Spire Inc.</b><br>Infrastructure System Replacement Surcharge (ISRS)                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| GR-2021-0108                 | <b>Spire, Inc.</b><br>Advertising, Board of Directors, Cash Working Capital, Communication Equipment Lease, Credit Card Processing Fees, Energy Efficiency and Low Income Programs/Weatherization, Energy Efficiency Program Balances, Fuel Expense Equipment and Vehicles, Insurance, Line Locating, Rents and Leases, Severance, Uncollectible Expense                                                                                                                                                             |
| SA-2021-0017                 | <b>Missouri-American Water Company</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| WR-2020-0264                 | <b>Raytown Water Company</b><br>Leased equipment, Outside Services, Purchased Water Bills, Education Expense, Lab Fees, Office Supplies, Primacy Fees, Printing and Postage Expense, Uniform Expense                                                                                                                                                                                                                                                                                                                 |

cont'd Antonija Nieto

| Case/Tracking Number         | Company Name- Type of Case; Issues                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WA-2019-0364                 | <b>Missouri-American Water Company</b><br>Certificate of Convenience and Necessity                                                                                                                                                                                                                                                                                                         |
| GO-2019-0356                 | <b>Spire Inc.</b><br>Infrastructure System Replacement Surcharge (ISRS)                                                                                                                                                                                                                                                                                                                    |
| WO-2019-0184                 | <b>Missouri American Water Company</b><br>Infrastructure System Replacement Surcharge (ISRS)<br>Work Order review, Reconciliation                                                                                                                                                                                                                                                          |
| SA-2019-0161                 | <b>United Services, Inc.</b><br>Certificate of Convenience and Necessity<br>Plant buildout, Direct Expenses                                                                                                                                                                                                                                                                                |
| ER-2018-0145                 | <b>Kansas City Power &amp; Light Company and Greater Missouri Energy Company</b><br>Advertising, Bad Debt Expense, Revenues, Customer Advances, Customer Deposits, Customer Growth, Dues and Donations, Material and Supplies, Other Revenues, Prepayments, Forfeited Discounts annualization, Greater Missouri Energy Company EMS Run, Payroll expenses, Payroll Taxes, Employee Benefits |
| GR-2017-0215<br>GR-2017-0216 | <b>Laclede Gas and Missouri Gas Energy</b><br>Payroll, Payroll Taxes, Employee Benefits, Non-Labor Maintenance, A&G and O&M Cost Analysis                                                                                                                                                                                                                                                  |
| WR-2017-0139                 | <b>Stockton Hills Water Company</b><br>Payroll, Other Expenses                                                                                                                                                                                                                                                                                                                             |
| ER-2016-0285                 | <b>Kansas City Power &amp; Light Company</b><br>EMS Run, Insurance expense, Amortization, PSC Assessment, Lease expense                                                                                                                                                                                                                                                                    |