

Exhibit No. 165

Staff – Exhibit 165
Testimony of Brooke Mastrogiannis
Surrebuttal/True-Up Direct
File No. ER-2024-0261

Exhibit No.:
Issue(s): *Fuel Adjustment Clause*
Witness: *Brooke Mastrogiannis*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Surrebuttal / True-Up Direct
Testimony*
Case No.: *ER-2024-0261*
Date Testimony Prepared: *September 17, 2025*

MISSOURI PUBLIC SERVICE COMMISSION

INDUSTRY ANALYSIS DIVISION

ENERGY RESOURCES DEPARTMENT

SURREBUTTAL / TRUE-UP DIRECT TESTIMONY

OF

BROOKE MASTROGIANNIS

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

CASE NO. ER-2024-0261

Jefferson City, Missouri
September 2025

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

2 **OF**

3 **BROOKE MASTROGIANNIS**

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

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

7 Q. Please state your name and business address.

8 A. My name is Brooke Mastrogiannis. I am a Utility Regulatory Audit Supervisor
9 with the Missouri Public Service Commission (“Commission”), 200 Madison Street, Jefferson
10 City, Missouri 65101.

11 Q. Are you the same Brooke Mastrogiannis who has previously provided testimony
12 in this case?

13 A. Yes. I filed Direct Testimony on July 2, 2025, and Rebuttal Testimony on
14 August 18, 2025.

15 **EXECUTIVE SUMMARY**

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

17 A. The purpose of my surrebuttal testimony is to respond to Empire witnesses
18 Aaron Doll and John Reed’s Fuel Adjustment Clause (“FAC”) rebuttal testimony
19 recommending including 100% of Southwest Power Pool (“SPP”) and Mid-Continent
20 Independent System Operation (“MISO”) transmission costs and revenues in the FAC.
21 I also respond to the Office of the Public Counsel (“OPC”) witness Lena Mantle’s rebuttal
22 testimony regarding changes to the FAC tariff sheet for future large load customers. Lastly, my
23 true-up direct testimony will update Staff’s proposed FAC base factor.

FAC TRANSMISSION EXPENSES AND REVENUES

Q. Empire witness Doll recommends again in his rebuttal testimony on page 16, starting at line 7 that 100% of Empire's transmission costs should be eligible for recovery. Does Staff continue to oppose Empire's proposal to include 100% of both SPP and MISO transmission expenses and revenues in the FAC?

A. Yes. As highlighted in my rebuttal testimony,¹ the Commission's *Report and Order* issued in Case No. ER-2014-0370 stated the following regarding the inclusion of 100% of SPP transmission costs and revenues in the FAC:

The evidence shows in this case that on a daily basis, KCPL sells all of the power it generates into the SPP market and purchases from SPP 100% of the electricity it sells to its retail customers. However, based on the Commission's analysis in the two cases cited above, it would not be lawful for KCPL to recover all of its SPP transmission fees through the FAC. In addition, while KCPL's transmission costs are increasing, those costs are known, measurable, and not unpredictable, so the costs are not volatile. The Commission concludes that the appropriate transmission costs to be included in the FAC are 1) costs to transmit electric power it did not generate to its own load (true purchased power); and 2) costs to transmit excess electric power it is selling to third parties to locations outside of SPP (off-system sales).²

In addition to that case, the Commission reached a similar conclusion on this issue in its findings in Case Nos. ER-2014-0258,³ ER-2014-0351,⁴ and ER-2019-0374.⁵ Therefore, Staff's position is to continue including in the FAC only transmission costs consistent with what the Commission has previously approved in all of the above mentioned orders.

¹ Brooke Mastrogiannis' Rebuttal Testimony in ER-2021-0312, pages 2-6.

² *Report and Order*, ER-2014-0370, page. 35 (Sept. 2, 2015).

³ *Report and Order*, filed on April 29, 2015, page 115.

⁴ *Report and Order*, filed on June 24, 2015, page 29.

⁵ *Amended Report and Order*, filed on July 23, 2020, page 72.

1 Q. Empire witness John Reed states in his Rebuttal Testimony on page 5,
2 starting at line 16, that the inclusion of transmission costs in a FAC subject to a sharing
3 mechanism may have made sense in a pre-organized market environment, where utilities had
4 more discretion over bilateral transactions and dispatch. However, in the current SPP market
5 structure, transmission costs are regionally allocated and governed by FERC-approved tariffs.
6 How do you respond?

7 A. As stated in my Direct Testimony and noted above, the Commission has ruled
8 on this most recently in ER-2019-0374, years after the SPP marketplace was implemented in
9 2014. To reiterate, its *Report and Order* stated:

10 Regarding transmission costs, the Commission is not changing the costs
11 that flow through the FAC. The percentage of transmission costs
12 included in the FAC will remain the same as they are now, which is 34
13 percent of SPP costs, 50 percent of MISO transmission costs, and no
14 allowance for transmission revenues. This is consistent with Missouri
15 law and prior Commission rulings, which allow only transportation costs
16 related to purchased power to flow through the FAC.

17 **FAC TARIFFS**

18 Q. What has OPC witness Lena Mantle recommended for changes to
19 Empire's FAC tariffs?

20 A. Ms. Mantle recommended that the costs incurred in serving large load customers
21 should be excluded from Empire's FAC.

22 Q. Has Staff already made a recommendation on the large load customers and its
23 interaction with Empire's FAC?

1 A. Yes. The Commission has already ordered that this issue will not be resolved
2 within this rate case.⁶ However, Staff believes this information is critical for the Commission
3 to have when Empire does make a request for a large load tariff, especially since the FAC tariff
4 sheets cannot be changed outside of a general rate case. Additionally, the Commission has not
5 stricken any components of the Rebuttal testimony of Ms. Mantle. Therefore, Staff would like
6 to agree with the Rebuttal testimony of Ms. Mantle in regards to the large load tariffs,
7 and recommend a simple change to the FAC tariff sheet in this case, which can help resolve the
8 FAC issues that will be encountered when Empire makes a request for a large load tariff, as it
9 is required to do under § 393.130(7), RSMo.

10 Q. Please explain further why you agree with Ms. Mantle's recommendation?

11 A. As she already states and I will reiterate, adding large load customers will
12 increase FAC cost components. This means as large load customers are added, the average
13 actual FAC cost will increase above the FAC base cost set in Empire's most recent general rate
14 case. This will cause Empire's other retail customers to pay a portion of the costs Empire incurs
15 to serve these large load customers. Therefore, to avoid Empire from over-recovering, and so
16 other retail customers do not pay portions of the increased FAC cost components, there needs
17 to be language in the FAC tariff sheet that these costs incurred to each large load customer
18 should be excluded from the FAC.

⁶ The Commission's *Order Granting Liberty's Motion* filed on August 8, 2025.

TRUE-UP DIRECT

Q. What is Staff recommending for Empire's True-Up Direct Base Factor?

A. Staff calculated the true-up direct base factor rate in this case based upon the following information: (1) net base energy costs (fuel and purchased power costs less off-system sales ("OSS") revenue) including Staff's accounting adjustments to the true-up period; and (2) normalized net system inputs ("NSI"):

Base Energy Costs	\$57,500,149
NSI	<u>5,174,826,620</u>
Base Factor	\$0.01111 per kWh

Q. Why is Staff updating its recommended base factor?

A. Staff is updating its recommended base factor to reflect the changes Staff witnesses Antonija Nieto and Shawn Lange support in their true-up direct testimonies and associated fuel run and accounting schedules. The recommended base factors reflect the updated normalization true-up period, ending March 31, 2025. This also revises the calculated pass-through percentage of SPP transmission costs in the FAC of 21.33%.

Q. Does this conclude your surrebuttal / true-up direct testimony?

A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Request of The Empire)
District Electric Company d/b/a Liberty for)
Authority to File Tariffs Increasing Rates)
for Electric Service Provided to Customers)
in Its Missouri Service Area)
Case No. ER-2024-0261

AFFIDAVIT OF BROOKE MASTROGIANNIS

STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

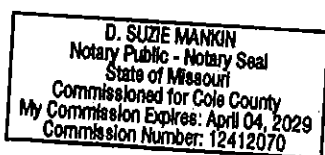
COMES NOW BROOKE MASTROGIANNIS and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Surrebuttal / True-Up Direct Testimony of Brooke Mastrogiannis*; and that the same is true and correct according to her best knowledge and belief.

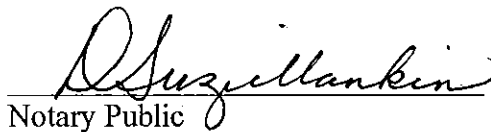
Further the Affiant sayeth not.


BROOKE MASTROGIANNIS

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11th day of September 2025.




Notary Public