Exhibit No. 168

Staff – Exhibit 168
Testimony of Antonija Nieto
Surrebuttal/True-Up Direct
File No. ER-2024-0261

Exhibit No.:	
Issue(s):	*State Line Water Usage, Southwest Power Pool Transmission Revenue, Purchased Power Costs, True-Up Adjustments*
Witness:	*Antonija Nieto*
Sponsoring Party:	*MoPSC Staff*
Type of Exhibit:	*Surrebuttal / True-Up Direct Testimony-Surrebuttal Testimony*
Case No.:	*ER-2024-0261*
Date Testimony Prepared:	*September 17, 2025*

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL & BUSINESS ANALYSIS DIVISION

AUDITING DEPARTMENT

SURREBUTTAL / TRUE-UP DIRECT TESTIMONY

OF

ANTONIJA NIETO

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

CASE NO. ER-2024-0261

Jefferson City, Missouri
September 2025

SURREBUTTAL / TRUE-UP DIRECT TESTIMONY OF

ANTONIJA NIETO

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

CASE NO. ER-2024-0261

Q. Please state your name and business address.

A. My name is Antonija Nieto and my business address is 615 East 13th Street, Kansas City, Missouri 64106.

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

A. I am employed by the Missouri Public Service Commission ("Commission") as a Lead Senior Utility Regulatory Auditor.

Q. Are you the same Antonija Nieto who filed Direct Testimony on July 2, 2025, in this case?

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to the Empire Rebuttal Testimony of Charlotte T. Emery regarding State Line water usage and South West Power Pool ("SPP") transmission revenues. I will also respond to the Empire rebuttal testimony of Todd W. Tarter regarding natural gas transportation costs. Additionally, I will identify the adjustments I sponsor in Staff's true-up direct accounting schedules.

STATE LINE WATER USAGE

Q. Briefly explain Staff's adjustment for State Line water usage.

A. In direct filing, to determine an appropriate amount of water expense to be included in cost of service, Staff's adjustment compared the actual invoiced amounts for State Line water usage during the test year with those from the update period.

Q. Please explain Empire's disagreement with Staff's adjustment and briefly describe Empire's proposed adjustment.

A. According to Empire witness Emery, Staff's adjustment is based on a limited 12-month period that reflected relatively low consumption and does not accurately represent ongoing costs. Witness Emery suggests:

- Use two-year average of consumption data ending September 30, 2024,
- Apply new two-block water rates that took effect on May 28th, 2025.[1]

Q. How did Staff calculate State Line water expense in the true-up filing?

A. After reviewing additional data received subsequent to the direct filing, Staff used a two-year average of historical water usage ending in March 31, 2025, the true-up period in this case. This approach captures water usage variability at the State Line facility and provides a more representative water expenses going forward.

Q. Did Staff include in its calculation the new water rates that took effect on May 28, 2025?

A. No. The true-up filing in this rate proceeding has a Commission ordered true-up date of March 31, 2025. The new water rates took effect after the cut-off period and including those rates would be considered an out-of-period adjustment, which is generally not permitted

[1] Rebuttal Testimony of Charlotte T. Emery, Page 40, Line 3-10

under Missouri regulatory policy. For more detailed discussion on out-of-period adjustments, their use and limitations, please refer to Rebuttal testimony of Staff witness Young in this proceeding.[2]

SPP TRANSMISSION REVENUES

Q. What was Empire's concern with Staff's SPP transmission revenues adjustment?

A. As noted by witness Emery, some values in Empire's general ledger were unintentionally doubled resulting in several months of SPP transmission revenues being inflated.[3]

Q. Did Staff correct the amounts in question?

A. Yes. In True-Up filing, Staff ensured that the months in question are not being double counted and corrected the adjustment accordingly.

PURCHASED POWER COSTS

Q. What is Empire witness Emery's concern with Staff's purchased power energy costs?

A. Witness Emery noted that Staff excluded $2,272,516 from the total purchased power costs reflected in the Fuel Outputs Model.

Q. Why did Staff exclude the amount in question from the total purchased power costs?

A. The amount in question was a mistakenly carried through adjustment from Empire's last rate case, Case No. ER-2021-0312. Staff will correct this error in its true-up filing.

[2] Rebuttal Testimony of Matthew R. Young, Page 3-7
[3] Rebuttal Testimony of Charlotte T. Emery, Page 26, Lines 5-10

NATURAL GAS TRANSPORTATION COSTS

Q. Please summarize Empire witness Tarter's disagreement with your approach to calculating natural gas transportation costs.

A. Mr. Tarter argues that the annual gas transportation costs should be calculated using the new rates dictated by the contract that took effect in June 2025.

Q. Does Staff agree with Mr. Tater's proposal?

A. No. As mentioned above, the true-up filing in this rate proceeding has a true-up date of March 31, 2025. The new natural gas transportation contract took effect in June 2025, after the true-up period. Including those rates would be considered an out-of-period adjustment, which is generally not permitted under Missouri regulatory policy. For more detailed discussion on out-of-period adjustments, their use and limitations, please refer to Rebuttal testimony of Staff witness Young in this proceeding.[4]

TRUE-UP ADJUSTMENTS

A. In addition to items mentioned above, what other cost of service items are you recommending to update through March 31, 2025, the true-up period in this case?

A. I am sponsoring Staff's true-up adjustments for Southwest Power Pool revenues and expenses, including Ancillary Services Market revenues and expenses. Also, I sponsor true-up adjustments for Fuel Inventory and Fuel Fixed Costs.

[4] Rebuttal Testimony of Matthew R. Young, Page 3-7

Q. Did Staff change methodology comparing to its direct filing when developing those true-up adjustments?

A. No, Staff's methodology for developing true-up adjustments for SPP revenues and expenses, fuel inventory, and fuel fixed costs is consistent with methodology described in my direct testimony.

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 ANTONIJA NIETO

STATE OF MISSOURI)
) ss.
COUNTY OF Jackson)

COMES NOW ANTONIJA NIETO 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 Antonija Nieto*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

A Nieto

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 9th day of September 2025.

B L Stigger

Notary Public

B. L. STIGGER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES JANUARY 2, 2028
JACKSON COUNTY
COMMISSION #24332661