

Exhibit No.: _____
Issue: Fuel Adjustment Clause
Witness: Monica K. Gloodt
Type of Exhibit: Direct Testimony
Sponsoring Party: The Empire District
Electric Company
Case No.: ER-2026-_____
Date Testimony Prepared: April 2026

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

Direct Testimony

of

Monica K. Gloodt

on behalf of

The Empire District Electric Company

April 1, 2026



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THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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1 **I. INTRODUCTION**

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

3 A. My name is Monica K. Gloodt; and my business address is 602 South Joplin Avenue,
4 in Joplin, Missouri.

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

6 A. I am employed by Liberty Utilities Services Corp. (“LUSC”), and I serve as an Analyst
7 in the Rates and Regulatory Affairs Department for Liberty’s Central Region, which
8 includes The Empire District Electric Company d/b/a Liberty (“Liberty” or
9 “Company”).

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

11 A. I graduated from Pittsburg State University in 2018 with a Bachelor of Science degree
12 with a major in Finance. I was hired by LUSC in July of 2020 as an Analyst I in the
13 Rates and Regulatory Affairs department and was promoted to an Analyst II in
14 February 2024.

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

17 A. Yes, I testified before this Commission in Case Nos. ER-2024-0118, EO-2024-0119,
18 ER-2024-0274, EO-2024-0276, ER-2025-0125, EO-2025-0126, ER-2025-0267, and
19 EO-2025-0268. I also submitted direct testimony before the Arkansas Public Service
20 Commission in Docket Nos. 18-054-TF, 18-055-TF, 13-111-U, 16-053-U, and 22-085-
21 U.

1 **Q. What is the purpose of your direct testimony in this matter?**

2 A. The purpose of my testimony is to support the Fuel & Purchased Power Adjustment
3 Clause (“FAC”) rate tariff that has been filed by Liberty. The FAC rate tariff reflects
4 the actual energy costs incurred by the Company during the six-month period
5 September 2025 through February 2026. The six-month period is an Accumulation
6 Period specified in the Company’s FAC tariff that was approved by the Commission in
7 its Order Approving Stipulations and Agreements issued in Case No. ER-2021-0312.
8 The current Fuel Adjustment Rate (“FAR”) for the Accumulation Period ending
9 February 2026 and the Recovery Period ending November 2026 is \$0.01464.

10 **Q. Are you sponsoring any schedules with your testimony?**

11 A. Yes. I am sponsoring the following schedules:

- 12 • **Direct Schedule MKG-1** contains the basic tariff filing information and the FAC
13 formula the Company used to calculate the FARs which have been included in the
14 proposed revised FAC rate tariff sheet 17q; and
- 15 • **Confidential Direct Schedule MKG-2** contains the information required by 20
16 CSR 4240-20.090(8)(A)(2).

17 **Q. Does the Company’s FAC tariff include provisions that are designed to limit**
18 **Liberty’s FAC recovery to the actual cost of energy?**

19 A. Yes. The Company’s FAC and the Commission’s rule governing FACs include two
20 safeguards limiting FAC recovery to actual, prudently incurred energy costs: (1) a true-
21 up process that ensures the FAC collections during the Recovery Period do not exceed
22 actual energy costs incurred during the Accumulation Period; and (2) a requirement
23 that Liberty’s energy costs be subjected to periodic prudence reviews. The Commission
24 most recently reviewed Liberty's FAC operations in Case No. EO-2026-0057. On

1 March 2, 2026, Staff filed a report in which Staff identified no incidence or evidence
2 of imprudence by the Company in the items that Staff examined for the period March
3 1, 2024, through August 31, 2025. Additionally, on March 16, 2026, the Commission
4 issued an approval order, effective April 15, 2026, finding Staff's report and
5 recommendation to be reasonable.

6 **Q. Please describe Liberty's FAC and FAR filing obligations.**

7 A. The Commission's rule governing fuel and purchased power cost recovery mechanisms
8 for electric utilities – specifically 20 CSR 4240-20.090(8) – requires the Company to
9 make periodic FAC filings that are designed to enable Commission review of the actual
10 fuel costs, purchased power costs, cost of consumables associated with the power
11 plants' air quality control system ("AQCS"), net cost of emission allowances, revenue
12 from the sale of renewable energy credits ("REC"), and off-system sales margins
13 (collectively referred to as total energy costs) that the Company has incurred during an
14 Accumulation Period. In addition, these periodic filings are designed to adjust the FAC
15 rates up or down, to reflect the actual energy costs incurred during the Accumulation
16 Period. Liberty's FAC tariff calls for two adjustment filings per year: a filing covering
17 the six-month Accumulation Period running from September through February and a
18 second filing covering the Accumulation Period running from March through August.
19 Any increases or decreases in rates approved by the Commission, or that take effect by
20 operation of law, are then collected from, or refunded to customers over two six-month
21 Recovery Periods: June through November and December through May.

22 **Q. Please provide an overview of your direct testimony in support of the FAC rate**
23 **tariff filed by Liberty.**

1 A. Since the implementation of the Company's FAC, the variable cost of fuel and
2 purchased power used by the Company's Missouri customers has varied from the base
3 fuel and energy cost established in rates. For the Accumulation Period September 2025
4 through February 2026, Liberty's actual total energy costs eligible for the FAC have
5 been higher than the base energy cost included in the Company's Missouri rates by
6 approximately \$34,586,202. In accordance with the Commission's FAC rule and
7 Liberty's approved FAC tariff, the Company has filed a FAC rate tariff that is designed
8 to collect 95 percent of the energy cost differences, or approximately \$32,856,892.

9 As reflected in the rate tariff filed by the Company, Liberty developed two
10 FARs designed to recover the FPA, each of which is based on forecasted retail Missouri
11 sales over the next Recovery Period: a FAR of \$0.01527 per kilowatt-hour (kWh) for
12 primary service; and a FAR of \$0.01556 per kWh for secondary service. These FARs
13 will enable Liberty to recover, over a Recovery Period ending November 2026, the
14 difference between energy costs built into its base rates and the total energy costs
15 actually incurred during the Accumulation Period. In addition, Liberty will recover the
16 true-up amount of the fuel and energy costs during the Recovery Period ended
17 November 30, 2025.

18 **II. THE PROPOSED FAC RATE ADJUSTMENT**

19 **Q. Why has Liberty filed a FAC-related tariff at this time?**

20 A. As noted previously, Commission Rule 20 CSR 4240-20.090(8) and Liberty's FAC
21 tariff require the Company to make periodic FAC filings that enable the Commission
22 to review Liberty's actual fuel, purchased power, AQCS costs, off-system sales, REC
23 revenue, and net costs of emissions allowances, so that the Company's FAC rates can
24 be adjusted to reflect the actual energy costs the Company incurs to provide electric

1 service to its Missouri customers. Liberty's Missouri FAC tariff calls for two FAC
2 adjustment filings per year: (1) a filing covering the six-month Accumulation Period
3 running from September through February; and (2) a filing covering the Accumulation
4 Period running from March through August. Liberty is seeking an increase in its FAC
5 rates to reflect 95% of the difference between the energy costs built into its Missouri
6 base rates and Liberty's actual Missouri energy costs for the September 2025 through
7 February 2026 Accumulation Period, plus a true-up of the costs recovered during the
8 Recovery Period ending November 30, 2025. This recovery via the FAC rates will be
9 reflected on the Missouri customers' bills over the six-month Recovery Period running
10 from June 2026 through November 2026.

11 **Q. How did Liberty's average energy costs for the Accumulation Period compare to**
12 **the costs included in base rates?**

13 A. Liberty's average energy cost per kWh is higher than the level built into its base electric
14 rates and is higher than the average energy cost of \$0.01021 from the previous
15 Accumulation Period ending August 2025. More specifically, Liberty's Missouri base
16 rates included an average cost of energy per kWh of net system production of \$0.00870.
17 Liberty incurred average energy costs of \$0.02408 per kWh during the Accumulation
18 Period, which is \$0.01538 per kWh, or about 2.8 times more than the average cost built
19 into current base rates. Pursuant to Liberty's FAC tariff, the Company is requesting in
20 this proceeding to collect from its Missouri customers the net of 95 percent of this
21 increase plus approximately \$766,694 of under recovered energy cost and \$334,721 of
22 interest expense.

1 **Q. Did Liberty anticipate this increase in fuel and purchase power costs when it**
2 **proposed and later settled on a normal level of fuel and purchase power expenses**
3 **in the rate case that established the current FAC base factor¹?**

4 A. No. The Company agreed to a base fuel amount based on the market conditions that
5 were anticipated at that time. The FAC base factor is an estimate and is established in
6 a rate case based on model runs of what normalized Fuel and Purchased Power (“FPP”)
7 costs may be during the period it is in effect. The base fuel amount in Case No. ER-
8 2021-0312, like many rate case issues, was agreed to following discussions and
9 compromises with other parties to the case. The base factor estimate is based on
10 normalized assumptions (costs, weather, market prices, unit outages, wind production,
11 transmission congestion, etc.) at a point in time. However, over time, modeling
12 assumptions can change. There are many variables involved in forecasting future
13 energy costs and market conditions which are subject to many complex
14 interdependencies. It is difficult to estimate the exact amount of future energy cost since
15 it involves many uncertain and uncontrollable factors. Those uncontrollable factors
16 have resulted in underestimated costs eligible for the FAC since the last rate case. The
17 confluence of a number of circumstances since the rate case that established the current
18 FAC base factor (ER-2021-0312) has caused FPP expenses eligible for the FAC to be
19 higher than the forecast at that time.

20 **Q. How will the proposed FAC change impact the monthly bill for a typical**
21 **residential customer?**

22 A. For a Missouri residential customer using 1,000 kWh per month, the electric bill will
23 increase by approximately \$14.81 per month over the six-month period June 2026

¹ ER-2021-0312.

1 through November 2026, when the requested FAC secondary expansion factor of
2 \$0.01556 is applied to their bill and the previous FAC recovery factor of \$0.00075 is
3 eliminated from their bill.

4 **Q. Please explain further how the average energy cost varied from expectations.**

5 A. The actual average energy cost eligible for the FAC was \$24.08/MWh. This was
6 roughly 176.74% greater than the average FAC base factor of \$8.70/MWh. The actual
7 energy cost eligible for the FAC was about 61.76% higher than the \$14.88/MWh
8 budgeted level. The energy costs during this accumulation period were dominated by a
9 winter storm in late January 2026.

10 **Q. Please provide additional information regarding this winter storm and its impact**
11 **on the Company's FAC filing.**

12 A. Beginning on January 23, and continuing into January 27, 2026, Winter Storm Fern
13 brought heavy snow, sleet, and freezing rain, as well as dangerously cold temperatures
14 to multiple states, ranging from the southern plains to the eastern United States. This
15 included the Liberty service territory. As a result, Southwest Power Pool ("SPP")
16 market prices were higher than forecasted, primarily due to spot gas prices being higher
17 than the budget assumed. Additionally, the weighted average cost of natural gas for
18 Company generation was also higher than the budget assumed in February due to the
19 higher priced January imbalance gas (associated with the January winter storm) and
20 higher first-of-month base load natural gas, post winter storm, driving up the natural
21 gas-fired units' costs. The higher than budgeted natural gas prices, and corresponding
22 market prices also negatively impacted the native load cost for the period.

23 **Q. Were there any Prior Period Adjustments included in this Accumulation Period?**

24 A. No. There were no prior period adjustments.

1 **Q. Please describe how the Company is proposing to recover the energy cost incurred**
2 **during the September 2025 – February 2026 Accumulation Period.**

3 A. The FAC rate tariff filed by Liberty will apply a FAR of \$0.01527 for primary and
4 \$0.01556 for secondary service to the actual Missouri retail kWh sales that take place
5 during the Recovery Period of June 1, 2026, to November 30, 2026. The proposed
6 FARs were calculated in accordance with Liberty’s authorized FAC tariff. I have
7 attached to my testimony, as **Direct Schedule MKG-1**, an exemplar copy of one of the
8 Company’s approved FAC tariff sheets. In addition to the tariff sheet, I have included
9 a monthly analysis of the energy costs and energy cost recovery that has taken place
10 during the Accumulation Period on page 2 of **Direct Schedule MKG-1**. **Direct**
11 **Schedule MKG-1** contains the basic tariff filing information and the FAC formula that
12 the Company used to calculate the FARs which have been included in the proposed
13 revised FAC rate tariff sheet 17q. The Liberty FAC tariff and the formula included
14 therein were approved by the Commission in Case No. ER-2021-0312.

15 **Q. How were the various values used to determine the proposed FARs shown on**
16 **Direct Schedule MKG-1 developed?**

17 A. The data upon which Liberty based the values for each of the variables in the approved
18 FAR formula are included on the schedule and came from Liberty’s books and records.
19 **Direct Schedule MKG-1** contains the basic tariff filing information that is required to
20 calculate the proposed change in the FAR. In addition, the detailed information
21 required by 20 CSR 4240-20.090(8)(A)(2) is included in my testimony as **Confidential**
22 **Direct Schedule MKG-2**. Additional information about the true-up amount is being
23 filed concurrently in a separate docket. Also, as required by Commission Rule 20 CSR

1 4240-20.090, I am separately providing these workpapers to all parties of record in
2 Case No. ER-2021-0312.

3 **Q. Do you expect the average energy costs eligible for the FAC to be higher or lower**
4 **than the base during the next Accumulation Period from March 2026 through**
5 **August 2026?**

6 A. Based upon a review of the current natural gas market, we expect average energy costs
7 to be higher than the current FAC base factor of \$8.70/MWh during the Accumulation
8 Period of March 2026 – August2026. This is subject to shifts based on any changes to
9 the natural gas and market prices, extreme weather, or other unforeseen events.

10 **III. NEW CHARGE TYPES**

11 **Q. Is Liberty aware of any changes to charge types from SPP that occurred during**
12 **the Accumulation Period for this filing or will be adopted in the near future?**

13 A. Yes, Liberty is aware of 11 new SPP charge types approved by FERC in docket ER24-
14 2184-000 with an effective date of April 1, 2026. Liberty intends to file for recovery of
15 these new charge types at a future date.

16 **Q. What are the new charge types?**

17 A. The new charge types are consistent with existing revenue and purchase power settled
18 within the SPP marketplace. In order to accommodate westward expansion utilizing a
19 methodology of two balancing authority areas (BAAs) under one market, SPP
20 developed the new charge types listed below.

21 **Q. Please explain the intent for these new charge types.**

22 A. 1. Real-Time Regulation Service Deployment Adjustment Distribution Amount - A
23 RTBM credit (or charge) for each Asset Owner equal to the Asset Owner's real-time

1 load ratio share of the Real-Time Regulation Service Deployment Adjustment Amount
2 in the applicable SPP Balancing Authority Area.

3 2. Day-Ahead Transmission Congestion Rights West DC Tie Funding Amount - A
4 payment to an Asset Owner with Long-Term Service or a TCR that traverses a West
5 DC Tie. West DC Ties are fully funded based on the congestion revenues collected at
6 the West DC Ties

7 3. Real-Time Transmission Congestion Rights West DC Tie Funding Amount - During
8 the West DC Tie Transition Period, the Real-Time TCR West DC Tie Amount can be
9 either a payment or a charge to an Asset Owner and is calculated for each Asset Owner
10 with Long-Term Service that traverses a West DC Tie. The Real-Time TCR West DC
11 Tie Funding Amount is calculated for each Dispatch Interval in each direction at each
12 West DC Tie Location

13 4. West DC Tie Federal Service Exemption Amount - A credit or charge for exclusion
14 of transactions associated with qualified FSE transfers across the DC Tie between SPP
15 BAAs from market settlement of Marginal Energy Component, congestion, and losses.
16 This amount is calculated for each applicable Settlement Location modeled to represent
17 the magnitude and directionality of the Asset Owner's carve-out of the financial
18 impacts associated with the transfer of FSE eligible energy deliveries across the DC
19 Tie Interface.

20 5. Real-Time Pseudo-Tie Distribution Amount - An RTBM credit or charge will be
21 calculated in each SPP Balancing Authority Area, for each Asset Owner, at each
22 Settlement Location, for each hour in order to distribute pseudo-tie out payments for
23 congestion and losses.

1 6. Real-Time Out-Of-Merit Distribution Amount - An RTBM Out-of-Merit distribution
2 charge or payment that is not associated with Local Reliability Issues will be calculated
3 in each applicable SPP Balancing Authority Area, for each Asset Owner, at each
4 Settlement Location, for each hour in order to distribute Out-of-Merit payments or
5 charges.

6 7. Real-Time Price Correction Amount - An RTBM price correction amount payment
7 will be made for each Asset Owner with a Resource for which a price correction has
8 occurred and creates a cost to the Asset Owner or adversely impacts the Asset Owner's
9 Day-Ahead Market position for Energy and/or Operating Reserve.

10 8. Real-Time Price Correction Distribution Amount - An RTBM Price Correction
11 distribution amount charge or payment will be calculated in each applicable SPP
12 Balancing Authority Area for each Asset Owner, at each Settlement Location, for each
13 hour, adjusted by the Real-Time Price Correction West DC Tie Amount in order to
14 distribute payments or charges resulting from price corrections.

15 9. Real-Time Joint Operating Agreement Distribution Amount - An RTBM Joint
16 Operating Agreement charge or payment will be calculated for each Asset Owner, at
17 each Settlement Location, for each hour in order to distribute payments or charges
18 required under SPP's FERC-approved Joint Operating Agreements.

19 10. Incremental Market Efficiency Use Amount - A credit (or charge) will be paid to
20 the Asset Owner's of each West DC Tie Location to recover the costs of the market use
21 of the West DC Ties to the extent the facilities depreciate at a faster rate due to market
22 use.

23 11. Incremental Market Efficiency Use Distribution Amount - A charge (or credit) will
24 be calculated at each Settlement Location for each Asset Owner for each day in order

1 to pay for the costs of the market use of the West DC Ties to the extent the facilities
2 depreciate at a faster rate due to market use.

3 **Q. Did you include these new charge types in the September 2025 through February**
4 **2026 Accumulation Period?**

5 A. No.

6 **IV. CONCLUSION**

7 **Q. Does this conclude your direct testimony?**

8 A. Yes.

VERIFICATION

I, Monica K. Gloodt, under penalty of perjury, on this 1st day of April, 2026, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Monica K. Gloodt