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Electric Company d/b/a Liberty  
Case No.: EA-2025-0299  
Date Testimony Prepared: May 2026

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

**Surrebuttal Testimony**

**of**

**Charlotte T. Emery**

**on behalf of**

**The Empire District Electric Company d/b/a Liberty**

**May 27, 2026**



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THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY  
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 Charlotte T. Emery. My business address is 602 South Joplin Avenue,  
4 Joplin, Missouri 64802.

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

6 A. I am employed by Liberty Utilities Service Corp. ("LUSC") as a Senior Director of  
7 Rates and Regulatory Affairs for the Liberty Central Region, which includes The  
8 Empire District Electric Company ("Liberty" or the "Company").

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

10 A. I am testifying on behalf of Liberty.

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

12 A. I graduated from College of the Ozarks, Point Lookout, Missouri, in 2000 with a  
13 Bachelor of Science degree with a major in Accounting. I have been a Certified Public  
14 Accountant ("CPA") in the State of Missouri since 2006. I was hired by Liberty in July  
15 2016 as a Rates Analyst and promoted to my current position as a Senior Director in  
16 the Rates and Regulatory Affairs Department in 2022.

17 In my current role, I am responsible for all regulatory matters involving electric,  
18 natural gas, and water/wastewater utilities in Arkansas, Illinois, Iowa, Kansas,  
19 Missouri, and Oklahoma. In addition to managing the Central Region Rates and  
20 Regulatory Affairs Department, I am responsible for the development of regulatory  
21 strategy, interacting with regulators and other parties on behalf of all the utilities within

1 the Central Region footprint, reviewing and preparing other aspects of regulatory  
2 filings, and internal approval of rates and changes, among other duties.

3 Prior to joining Liberty, I worked for six years in the regulated insurance  
4 industry in Springfield, Missouri as a Director of Accounting. In addition, I have nine  
5 years of public accounting experience working for both national and “Big Four”  
6 accounting firms. My primary roles at these organizations included serving as a  
7 supervisor for financial statement audits and a tax consultant.

8 **Q. Have you previously testified in a proceeding before the Missouri Public Service  
9 Commission (“Commission”) or before any utility regulatory agency?**

10 A. Yes. I have previously testified on behalf of Liberty and/or its affiliates before this  
11 Commission, as well as before the Kansas Corporation Commission, the Arkansas  
12 Public Service Commission, and the Oklahoma Corporation Commission.

13 **II. PURPOSE**

14 **Q. What is the purpose of your surrebuttal testimony in this proceeding?**

15 A. The purpose of my surrebuttal testimony is to respond to issues raised by the Missouri  
16 Public Service Commission Staff (“Staff”) and the Office of the Public Counsel  
17 (“OPC”) relating to (1) Construction Work in Progress (“CWIP”), (2) Plant In Service  
18 Accounting (“PISA”), (3) proposed conditions regarding taxes, (4) customer service  
19 and customer impact concerns raised in testimony and public comments, and (5) local  
20 public hearing/public engagement issues.

21 **III. CONSTRUCTION WORK IN PROGRESS (“CWIP”)**

22 **Q. Did Liberty address CWIP in its direct testimony in this docket?**

23 A. Yes. With the supplemental direct testimony of Shaen Rooney, Liberty requests that  
24 the Commission establish the project costs and timeline “for purposes of potential

1 consideration of CWIP recovery in a future rate proceeding under Section 393.135,  
2 subject to Commission review and approval at that time.”

3 **Q. Is CWIP recovery approved in a CCN docket like this one?**

4 A. No. As Staff explains, CWIP is a ratemaking mechanism addressed in a future general  
5 rate proceeding; the CCN case addresses statutory parameters and does not itself place  
6 CWIP into customer rates.

7 **Q. Is the Commission required to determine, in this docket, the amount of CWIP that  
8 may be included in rate base?**

9 A. Yes. Missouri statute 393.135.2 (emphasis added) specifies that the Commission “*shall*  
10 determine, in a proceeding under section 393.170, the amount of construction work in  
11 progress that may be included in rate base.” I am not an attorney, but it is my  
12 understanding that the use of “shall” in a statute makes the item mandatory.

13 **Q. Does Missouri law require Liberty to have requested CWIP in its initial CCN  
14 application in order for CWIP parameters to be established in this proceeding?**

15 A. No. Section 393.135 prescribes a number of requirements, such as the one stated above,  
16 but the statute does not provide precisely when or how the request must be made  
17 initially.

18 **Q. What else does the statute prescribe?**

19 A. Missouri statute 393.135.2 prescribes that an “electrical corporation may be permitted,  
20 subject to the limitations in this subsection, to include [CWIP] for any new natural gas-  
21 generating unit in rate base,” that the “inclusion of [CWIP] allowed under this  
22 subsection shall be in lieu of any otherwise applicable allowance for funds used during  
23 construction that would have accrued from and after the effective date of new base rates  
24 that reflect inclusion of the [CWIP] in rate base,” and that the amount of CWIP that is

1 determined in this type of proceeding and that may be included in rate base “shall be  
2 limited by: (a) the estimated cost of such project; and (b) project expenditures made  
3 within the estimated construction period for such project.”

4 **Q. OPC witness Mr. Robinett recommends that, if CWIP is considered at all, the**  
5 **Commission should limit CWIP to earlier estimates and a narrow construction**  
6 **window. Do you agree?**

7 A. No, the Company does not agree with this recommendation. Mr. Robinett recommends  
8 limiting CWIP to earlier estimates (including figures he cites from the 1898 study and  
9 prior discovery responses) and limiting the construction period to the narrower  
10 timeframe he describes. Those recommendations do not reflect the updated record  
11 regarding project cost and execution considerations that are discussed in Liberty’s  
12 supplemental direct testimony, including the market constraints and procurement  
13 challenges described. His recommendations also appear to be contrary to the  
14 controlling statute. As noted above, the statute prescribes that the amount determined  
15 in this proceeding *shall* be limited by: “(a) the estimated cost of such project; and (b)  
16 project expenditures made within the estimated construction period for such project.”  
17 It is my understanding that if the legislature intended early estimates and/or limited  
18 timeframes to be used, they would have so provided in the statute.

19 **Q. Why is it important that any CWIP parameters be anchored to the current record**  
20 **rather than planning estimates?**

21 A. Staff recommends that CWIP limits be set using the Liberty Board-approved budget  
22 amount and the expenditures projected to be made within the estimated construction  
23 period described by Staff, with additional adjustments depending on whether SCR  
24 equipment is required. In addition to running afoul of the statute, establishing CWIP

1 parameters based on earlier estimates rather than the most current record could create  
2 misalignment between the Commission’s CWIP framework and the project as it is  
3 currently planned and managed.

4 **Q. If construction costs were to exceed the CWIP limits determined by the**  
5 **Commission in its initial CCN order in this docket, what steps would be**  
6 **appropriate for the Company to seek deviations from the CWIP limit?**

7 A. If actual construction costs and/or project timing differ from the assumptions  
8 underlying the authorized CWIP level in the Commission’s initial CCN order in this  
9 docket, the Company may seek Commission approval within this docket to adjust the  
10 CWIP amount. Any such request would be supported by a demonstrated showing that  
11 the deviations are reasonable and prudent, along with sufficient documentation  
12 explaining the underlying drivers (e.g., cost increases, scope changes, or schedule  
13 shifts).

14 **Q. How does Staff describe the appropriate “construction period” concept for CWIP**  
15 **purposes?**

16 A. Staff describes that CWIP limits should be tied to the estimated construction period and  
17 recommends a period that extends from late 2026 through no later than October 2,  
18 2030, consistent with the Project schedule and ERAS deadline considerations discussed  
19 in the record.

20 **Q. Do you agree with Staff’s description of construction period for this CCN?**

21 A. Yes, the timeframe outlined by Staff aligns with the anticipated construction period of  
22 the project.

1 **Q. Staff recommends that Liberty demonstrate that CWIP is less costly than**  
2 **Allowance for Funds Used During Construction (“AFUDC”). Does the Company**  
3 **agree with this condition?**

4 A. No. Section 393.135 provides that, in a CCN proceeding, the Commission shall  
5 determine the amount of CWIP that may be included in rate base, which shall be limited  
6 by (a) the estimated project cost and (b) expenditures made within the estimated  
7 construction period. The statute does not require or even contemplate a comparison of  
8 CWIP and AFUDC, nor does it condition CWIP on demonstrating that one approach  
9 is more or less costly than the other. Instead, the statute describes CWIP as an  
10 alternative to AFUDC and establishes the parameters for its determination in a CCN  
11 proceeding.

12 **Q. What standard does the statute apply to CWIP recovery in a future proceeding?**

13 A. The statute provides that CWIP-related recovery is subject to review in a subsequent  
14 complaint or general rate proceeding, including a determination of whether  
15 construction costs were prudently incurred. Specifically, the statute provides that  
16 “(b)ase rate recoveries arising from inclusion of construction work in progress in rate  
17 base are subject to refund, with interest on the refunded amount at the same rate as the  
18 rate of interest for delinquent taxes determined by the director of revenue in accordance  
19 with section 32.065, if, and to the extent the commission determines, in a subsequent  
20 complaint or general rate proceeding, that construction costs giving rise to the  
21 construction work in progress included in rate base were imprudently incurred or if the  
22 project for which construction costs have been included in the rate base is not placed  
23 in service within a reasonable amount of time, as determined by the commission.”

1 **Q. How does that inform how the Commission should treat Staff’s recommendation?**

2 A. Staff’s recommendation introduces a requirement that is not contained in the statutory  
3 framework and should not be accepted by the Commission. While the Commission may  
4 request information it deems useful in a future rate case, the governing statute does not  
5 require Liberty to perform or commit to a CWIP-versus-AFUDC comparison in this  
6 proceeding or as a condition of CWIP consideration. If Liberty seeks CWIP recovery  
7 in a future general rate proceeding, it will provide the information that the Commission  
8 determines is appropriate at that time based on the facts then known.

9 **Q. Does Liberty agree with Staff’s discussion that jurisdictional allocation should be**  
10 **determined in the future general rate proceeding where CWIP is requested, using**  
11 **then-current allocators?**

12 A. Yes. Staff explains that allocation among jurisdictions changes over time and should  
13 be determined during the general rate proceeding where CWIP is requested, and later  
14 again when the facility is complete and included in plant in service. Liberty agrees this  
15 is the appropriate and established approach for allocating costs to Missouri customers  
16 based on the facts and allocators in effect at the time recovery is requested.

17 **IV. PLANT IN SERVICE ACCOUNTING (“PISA”)**

18 **Q. What is PISA, as Staff describes it?**

19 A. Staff explains that PISA allows for 85% of depreciation expense and return on  
20 investment to be deferred to a regulatory asset beginning with the in-service date of the  
21 qualifying investment.

22 **Q. What change does Staff cite regarding PISA eligibility for new natural gas**  
23 **generating units?**

1 A. Staff states that Missouri Senate Bill 4, revised RSMo. Section 393.1400 effective  
2 August 28, 2025, to remove the prohibition of new natural gas generating units from  
3 qualifying as electric plant for PISA purposes, thus allowing PISA deferral for new  
4 natural gas generating units.

5 **Q. Is Liberty asking the Commission to approve PISA recovery in this CCN docket?**

6 A. No. Staff addresses PISA as a ratemaking consideration that would be reviewed in a  
7 future general rate proceeding, if so requested by Liberty.

8 **Q. What is Staff’s primary recommendation if Liberty later seeks recovery of PISA**  
9 **deferrals for this unit?**

10 A. Staff recommends Liberty clearly identify in workpapers in the first general rate  
11 proceeding where PISA deferral is requested that the 85% return component is not  
12 calculated on any CWIP amounts already being recovered in rate base – i.e., to prevent  
13 double recovery.

14 **Q. Does Liberty agree with Staff’s “no double counting” principle regarding CWIP**  
15 **and PISA?**

16 A. Yes. Liberty agrees that any future request for PISA should be presented transparently  
17 and consistent with Staff’s recommendation to ensure any PISA return component is  
18 not applied to amounts already receiving a return through CWIP.

19 **Q. Staff includes a condition which states that “Empire should identify in a future**  
20 **general rate proceeding where any PISA treatment is requested for this proposed**  
21 **facility, whether and how much of the facility qualifies for PISA treatment which**  
22 **should identify whether any increased revenues resulting from adding service to**  
23 **new customer premises are attributable to the generating facility”. Do you agree**  
24 **with this condition?**

1 A. No. As explained in the direct testimony of Mr. Aaron J. Doll, the primary drivers for  
2 this facility are the evolving resource adequacy framework of the Southwest Power  
3 Pool (“SPP”), including its impact on capacity obligations, reliability standards, and  
4 reserve margin. These factors – not the provision of service to new customer premises  
5 – are the basis for the investment. Further, the PISA statute, RSMo. section  
6 393.1400(3), defines “Qualifying Electric Plant” as “all rate-base additions, except  
7 rate-base additions for new coal-fired generating units, new nuclear generating units,  
8 or rate-base additions that increase revenues by allowing service to new customer  
9 premises.” Because this facility is being constructed to meet system reliability and  
10 capacity requirements, and not to serve new customer premises, it meets the definition  
11 of a qualifying electric plant. Accordingly, the additional condition proposed by Staff  
12 is unnecessary and not consistent with the statutory framework.

13 **V. SALES TAX AND PROPERTY TAX CONDITIONS**

14 **Q. Please explain Staff’s condition proposed relevant to sales tax?**

15 A. Staff indicates “Empire should utilize the sales tax exemption per RSMO 144.58 to  
16 every extent possible on any qualifying items for the construction of this generating  
17 facility and provide in the required savings notification in Liberty’s next general rate  
18 proceeding.”

19 **Q. Do you agree with this condition?**

20 A. Generally, yes. The Company intends to utilize all applicable sales tax exemptions to  
21 the extent practicable. However, from a tracking or reporting perspective, identifying  
22 exemptions on an invoice-by-invoice basis would be challenging because the exempted  
23 tax would not be reflected on the invoices. As an alternative, the Company could

1 provide a reasonable, high-level estimate of sales tax savings by applying the applicable  
2 tax rate to eligible project costs.

3 **Q. Please explain Staff’s condition proposed relevant to property taxes?**

4 A. Staff indicates “Empire should evaluate and pursue any Missouri Chapter 100  
5 development incentives available and Payments in Lieu of Taxes (“PILOT”) options  
6 and provide notice in this docket of such evaluations once complete.” Staff further  
7 recommends that if Liberty elects to utilize development incentives or PILOTs that  
8 notice be made in this docket as soon as practical and to also file in this docket a copy  
9 of any such development incentive or PILOT agreement executed within 30 days of  
10 execution along with quantification of the resulting estimated property savings.

11 **Q. Do you agree with this condition?**

12 A. No. I am not a tax expert; however, I have consulted with the Company’s internal tax  
13 professionals and understand that the circumstances contemplated in Staff’s condition  
14 are not applicable to this project. Specifically, utilizing Missouri Chapter 100  
15 incentives would generally require a sale-lease back structure, which is not being  
16 proposed for this facility. In addition, I have been advised that this facility would be  
17 treated as “centrally” assessed property, with value allocated across jurisdictions based  
18 on factors such as miles of line. As a result, the property would not be tracked  
19 separately at a local level, and payments in lieu of taxes (“PILOTs”) are typically  
20 associated with locally assessed property. Given these considerations, the condition  
21 proposed by Staff is not appropriate. As an alternative, the Company will continue to  
22 evaluate and pursue reasonable opportunities to minimize property tax impacts  
23 associated with the project.

1 V. **CUSTOMER SERVICE/CUSTOMER IMPACT CONSIDERATIONS**

2 Q. **What customer-related themes did Staff identify in public comments about this**  
3 **project?**

4 A. Staff reports that many comments opposed the project due to concerns about costs, past  
5 billing issues with Liberty, and concerns that the project may support a data center and  
6 that costs could be passed to current customers.

7 Q. **What customer-service-related concerns did OPC witness Dr. Marke raise?**

8 A. Dr. Marke focuses on Liberty's public communications regarding the investment and  
9 CWIP, references customer comments about billing and customer service issues, and  
10 recommends that Liberty respond to those concerns in surrebuttal testimony.

11 Q. **Does Liberty recognize the concerns raised by customers regarding affordability**  
12 **and service experience?**

13 A. Yes. Liberty recognizes that customers have raised concerns regarding affordability,  
14 trust, and service experience, and the Company takes those concerns seriously.

15 Q. **How should the Commission consider those concerns in evaluating this CCN?**

16 A. Staff recommends granting the CCN based on the *Tartan* criteria while also  
17 recommending significant reporting and filing "guardrails" designed to preserve  
18 oversight and protect customers as the project progresses.

19 Q. **Does the Company agree with this approach?**

20 A. Yes.

21 Q. **What specific "guardrails" did Staff recommend that promote transparency and**  
22 **customer protection?**

23 A. Staff recommends the Company file updates on the subcontractor RFP process,  
24 construction progress and budget reports; construction monitoring reports; pipeline

1 upgrade updates, filing executed agreements (GIA, procurement, EPC), submission of  
2 emergency, operations and maintenance, and restoration plans; SCR-related notice and  
3 documentation, among other conditions.

4 **Q. Why is the project relevant to customer interest even when customers are**  
5 **concerned about costs?**

6 A. Staff aptly concludes the project is needed to satisfy resource adequacy requirements  
7 and to avoid penalties and reliability consequences associated with insufficient  
8 capacity, and Staff recommends approval with conditions to protect customers and  
9 preserve Commission oversight.

10 **Q. Please describe the recommendation brought forth by Renew Missouri Advocates**  
11 **(“Renew”) witness concerning low-income customer participation in energy**  
12 **programs.**

13 A. Renew witness Phillip A. Fracica recommends the Company develop a targeted  
14 strategy for low-income customer participation in energy programs.

15 **Q. Does the Company agree to this recommendation?**

16 A. The Company does not oppose the general objective of enhancing participation by low-  
17 income customers in energy programs. However, as Mr. Fracica testimony does not  
18 provide specific details regarding the recommendation, the Company cannot fully  
19 evaluate it at this time. The Company will continue to consider reasonable  
20 opportunities to improve participation by low-income customers, as appropriate.

21 **VI. LOCAL PUBLIC HEARINGS**

22 **Q. Was a local public hearing held in this docket?**

23 A. Yes. A virtual local public hearing was held on April 16, 2026.

1 **Q. What did OPC witness Dr. Marke recommend regarding the format of local**  
2 **public hearings?**

3 A. Dr. Marke recommends that the Commission hold in-person local public hearings in  
4 CCN application dockets unless all parties agree otherwise, and he cites customer  
5 comments criticizing a virtual-only format.

6 **Q. OPC witness Dr. Marke recommends that local public hearings be conducted in**  
7 **person rather than virtually. How do you respond to that recommendation?**

8 A. Liberty recognizes the importance of local public hearings as an opportunity for  
9 meaningful customer participation and appreciates the perspectives raised regarding  
10 hearing format. However, the structure and format of local public hearings are  
11 determined by the Commission, and Liberty follows the procedures and directives  
12 established by the Commission in each proceeding. Liberty remains committed to  
13 transparency and engagement with customers regardless of the format selected.

14 **VII. CONCLUSION**

15 **Q. Did OPC witnesses point to issues and raise concerns in their rebuttal testimony**  
16 **that are not addressed in the Company's surrebuttal testimony?**

17 A. Yes. The Company's surrebuttal testimony focuses on the *Tartan* factors and other  
18 issues properly before the Commission in this docket and does not directly refute every  
19 irrelevant or distracting claim made in rebuttal testimony.

20 **Q. Please summarize your surrebuttal testimony?**

21 A. In summary, my testimony clarifies that CWIP recovery and PISA are ratemaking  
22 mechanisms that would be addressed, if at all, in a future general rate proceeding with  
23 Commission review, and that the CCN docket provides a framework for statutory  
24 parameters and conditions. I also address recommendations related to the format of

1 local public hearings and that Liberty remains committed to transparency and  
2 engagement with customers regardless of the format selected by the Commission.

3 **Q. Does this conclude your surrebuttal testimony?**

4 **A.** Yes, at this time.

**VERIFICATION**

I, Charlotte T. Emery, under penalty of perjury, on this 27th day of May, 2026, declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Charlotte T. Emery