BEFORE THE PUBLIC SERVICE
COMMISSION OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric Company's Submission of its Interim Report Regarding Participation in the Southwest Power Pool, Inc.	)) Case No. EO-2012-0269)

JOINT MOTION TO MODIFY THE STIPULATION AND AGREEMENT AND ORDER CONCERNING THE EMPIRE DISTRICT ELECTRIC COMPANY'S MEMBERSHIP IN THE SOUTHWEST POWER POOL

COME NOW The Empire District Electric Company d/b/a Liberty ("Liberty" or the "Company"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC"), and Southwest Power Pool, Inc. ("SPP") (collectively, the "Signatories"), and respectfully submit to the Missouri Public Service Commission ("Commission") this Joint Motion to Modify the Stipulation and Agreement and Order Concerning The Empire District Electric Company's Membership in the Southwest Power Pool ("Joint Motion"). The Commission approved the original Stipulation and Agreement in this case on September 11, 2013,[1] and thereby approved Liberty's membership in SPP on an interim basis. This Joint Motion requests that the Commission now grant Liberty permanent membership in SPP, subject to the provision herein.

In support of this Joint Motion, the Signatories state as follows:

Procedural History

1. On September 28, 2005, the Company filed an application with the Commission requesting authority to transfer functional control of certain transmission assets to SPP (Case No. EO-2006-0141). The Company filed pursuant to RSMo. §393.190.1 and noted that FERC Order No. 2000 strongly encouraged all public utilities that own, operate, or control interstate

[1] Order Granting Motion for Approval of Unanimous Stipulation and Agreement

transmission facilities to participate in a Regional Transmission Organization ("RTO").

2. Authority was granted by the Commission order issued June 13, 2006 (as amended by order issued July 13, 2006) approving a Unanimous Stipulation and Agreement. The Stipulation and Agreement, among other things, provided that, "Empire, Staff and Public Counsel further agree and SPP acknowledges that the approval is interim and conditional during a term of seven (7) years following the Effective Date ("Interim Period"), as the Effective Date is determined in Section II.A.(2)(g) herein, unless extended pursuant to Section II.E(2) herein. If the MoPSC does not issue an order to terminate or extend its interim approval prior to the end of the Interim Period, approval of such participation shall no longer be deemed to be interim." Stipulation, II.A.(1).

3. On February 3, 2012, the Company filed its Interim Report and request for continued participation in the SPP in File No. EO-2012-0269. File No. EO-2006-0141 was subsequently closed.

Timeline of Events: 2013-2026

4. On September 11, 2013, the Commission issued an order in this case approving a Unanimous Stipulation and Agreement that provided for the Company's continued participation in SPP through August 1, 2019. The Stipulation and Agreement contained provisions that required the Company to undertake a cost/benefit study and prepare an interim report.

5. On February 15, 2017, a joint motion was filed asking the Commission to modify the 2013 Stipulation and Agreement, delay the production of the interim report for three years, and extend the Company's authorization to participate in SPP for the same three-year period (to August 1, 2022). On March 1, 2017, the Commission issued its *Order Modifying Stipulation and Agreement* herein, providing that the "interim and conditional approval of The Empire District Electric Company's membership in the Southwest Power Pool, described in Section II.A(1) of the

Stipulation and Agreement, is extended by three years to August 1, 2022." The *Order Modifying Stipulation and Agreement* also provided that "(a)ll other dates associated with the Interim Report and Interim Approval are also extended by three years" and that the Company "shall file a 2021 Interim Report, containing a completed cost/benefit study and its case for whether to continue to participate in the Southwest Power Pool by April 30, 2021."

6. With regard to the cost/benefit study discussed in the 2017 *Order Modifying Stipulation and Agreement*, Liberty submitted an Information Filing on February 3, 2020, stating its intent to obtain an estimate of the benefits and costs of remaining in the SPP by looking at the load ratio share approximation methodology, as suggested by the Commission in its October 11, 2019, *Order* regarding Evergy in Commission Case No. EO-2012-0135.

7. Subsequently, on October 14, 2020, the Commission issued an *Order Opening a Working Case to Consider the Membership of Missouri's Investor-Owned Electric Utilities in Regional Transmission Organizations* (Case No. EW-2021-0104).

8. On April 29, 2021, Liberty filed a Motion for Stay requesting "a stay of the requirement to submit an Interim Report herein, pending the outcome of Case No. EW-2021-0104,[2] and the extension of the Commission's interim and conditional approval of Empire's membership in the SPP." With its *Order Granting Motion for Stay* issued May 19, 2021, the Commission

[2] The Staff Report in Case No. EW-2021-0104, including Staff's recommendation, was filed on June 11, 2021. Responses to Staff's recommendation were submitted by the electric IOUs in August of 2022. No further action has taken place in the working docket.

However, on June 9, 2022, and upon motion of Ameren Missouri, the Staff of the Commission, the Office of the Public Counsel, and the Missouri Industrial Energy Consumers in Commission in Case No. EO-2011-0128, the Commission extended its authorization for Ameren Missouri to participate in MISO indefinitely rather than for a fixed term.

Also, on July 12, 2023, and upon motion of Evergy, Staff, and Dogwood Energy in Commission Case No. EO-2012-0135, the Commission granted Evergy authority to continue the transfer of functional control of its transmission system to SPP, subject to certain conditions.

ordered as follows: "Empire's obligation to file an interim report and cost/benefit study regarding its continued membership in SPP is stayed until further order of the Commission." The Commission, however, stated that "(b)ecause the Commission's interim and conditional approval of Empire's membership in the SPP does not expire until August 1, 2022, the Commission will not grant a further extension of that approval at this time."

9. By its Motion for Continuation of Conditional Approval filed on July 17, 2022, Liberty suggested that it would be reasonable and prudent, and avoid duplication of work and the risk of inconsistent findings and conclusions, for the Commission's conditional approval of Liberty's membership in SPP to be extended pending further action in the working docket or other agreement among the parties. Specifically, Liberty requested an additional two-year extension of the Commission's interim and conditional approval of Liberty's membership in SPP, to August 1, 2024. On July 21, 2022, the Commission issued its *Order Granting Motion for Extension of Conditional Approval of Membership in the Southwest Power Pool*, extending the interim and conditional approval of Liberty's membership in SPP by two years, to August 1, 2024.

10. On August 25, 2022, in File EW-2021-0104 (the working docket), the Company provided a response to the Staff Report, describing Liberty's concerns surrounding the preliminary studies in the SPP's Regional Cost Allocation Review III ("RCAR 3"). Regarding Staff's request that each electric utility "work with its respective RTO to identify the point in time at which the exit fees applicable to a given utility will reflect the most depreciation for existing projects prior to the inclusion of new projects" and provide "the estimated revenue requirement impact (positive and negative) for each of the next five years of continued RTO participation," the Company requested additional time so that it could better understand the RCAR 3 results due to reliance on the data produced from such SPP studies.

11. On April 16, 2024, Liberty filed herein a Motion for Continuation of Conditional

Approval requesting extension of the interim approval to August 1, 2025. In that filing (the "2024 Motion"), Liberty stated that throughout 2023, the Company held numerous meetings and discussions with SPP staff members and exchanged data to discuss Liberty's concerns regarding the preliminary results that were provided in SPP's RCAR 3 analysis. These discussions and the Company's review of the raw data contributed to SPP's addition of some modelling layers to improve the cost/benefit calculations (RCAR 3.1).

12. In the 2024 Motion, Liberty also asserted that "entities on the eastern SPP seam, and in particular those on the southeastern seem (such as Liberty), tend to have the lowest cost/benefit ratios due to the lack of transmission projects in the area. Some of the challenges can be attributed to difficulty in coordinating mutually beneficial projects that span multiple RTOs (SPP and MISO) or RTOs and cooperatives (SPP and AECI). Although the lack of projects near the southeastern seam have been a cause of frustration, Liberty is hopeful that the Integrated Transmission Plan ('ITP') 2024 will result in some meaningful projects for Liberty's customers." Liberty further stated as follows in the 2024 Motion:

> Liberty's experience during Storm Elliot underscored the critical need for regional support within the SPP framework to maximize RTO value. Following Storm Elliot, Liberty collaborated closely with SPP staff to establish criteria for assessing winter weather impacts in the southwest Missouri area and documenting the effects on Liberty's customers during extreme weather events. As part of the 2024 ITP study structure, Liberty is optimistic about project identification through three avenues: the Elliot Winter Weather study, the focus area study (encompassing SE KS / SW MO / NW Arkansas), and the annual ITP study (2024). The Company is hopeful that these avenues will not only benefit Liberty's customers but also contribute to the future resilience of the SPP southeast seam. At present, Liberty has actively participated in the detailed project proposal process, and the Company eagerly awaits the outcome of project identification to potentially realize the value of RTO membership.

13. Liberty explained that the one-year extension of the interim approval from 2024 to 2025 would allow for the conclusion of the 2024 ITP and allow more time for a complete picture

to be developed with respect to possible transmission investment in the SPP southeastern seam that would provide benefit to Liberty's customers and customers of other electric providers in the southwest portions of Missouri.

14. On June 26, 2024, the Commission issued its *Order Granting Motion for Extension of Conditional Approval of Membership in the Southwest Power Pool*, effective July 26, 2024. The Commission provided that Liberty's membership in SPP was extended by one year, to August 1, 2025.

15. On July 28, 2025, Liberty filed a Motion for Continuation of Conditional Approval, requesting that the Commission extend approval of Liberty's membership in SPP until all transmission facilities identified in SPP's 2024 Integrated Transmission Plan ("ITP") were constructed and placed into service. Following responsive pleadings from Staff/OPC and Liberty on September 12 and September 17, 2025, the Commission issued its Order Granting Interim Approval on September 25, 2025 (effective October 1, 2025). Ordering Paragraph 2 directed Liberty to provide specific detailed compliance information addressing subsections (a) through (h) to Staff and OPC no later than August 14, 2026.

Compliance with Ordering Paragraph No. 2

16. As stated above, on September 25, 2025, the Commission issued an Order Granting Interim Approval of Liberty's membership in SPP. Ordering Paragraph No. 2 set out certain information Liberty was required to provide to OPC and Staff no later than August 14, 2026. On August 14, 2026, Liberty has provided said information to OPC and Staff. That information is attached hereto as **Exhibit A**.

Terms of Modified Stipulation and Agreement and Order

17. Based on the information provided in **Exhibit A**, Liberty, Staff, OPC and SPP move

the Commission to modify the Stipulation and Agreement and its Order to approve Liberty's permanent participation in SPP, subject to the continued oversight of the Commission.

18. To accomplish this result, Liberty, Staff, OPC and SPP ask that the Commission issue an order containing the following in its ordering paragraphs:[3]

> Liberty's authority to continue the transfer of functional control of its transmission system to SPP is granted, subject to the following conditions:
>
> A. The Commission approves Liberty's continued RTO participation in SPP. The extended permission granted in this order is also subject to the provisions of subparagraphs I and J below.
>
> B. Liberty shall acknowledge that the Service Agreement's primary function is to ensure that the Commission continues to set the transmission component of Liberty's rates to serve its Missouri Bundled Retail Load. To the extent that FERC offers incentive "adders" for participation in an RTO or in an ICT to the rate of return allowed for providing Transmission Service, as defined in the SPP Open Access Transmission Tariff ("OATT"), to wholesale customers within the Liberty zone, such incentive adders shall not apply to the transmission component of rates set for Missouri Bundled Retail Load by the Commission.
>
> C. Currently, FERC requires Bundled Retail Load served by SPP Transmission Owners to take Transmission Service under the SPP's OATT. If, at some point, Liberty is not required to take Transmission Service for Missouri Bundled Retail Load under the OATT, the Service Agreement shall be terminated concurrently with the point in time when Liberty is no longer required to take Transmission Service for Missouri Bundled Retail Load under the OATT. Termination of the Service Agreement under this provision shall not affect Liberty's membership participation status in the SPP and the Commission shall continue to have jurisdiction over the transmission component of the rates set for Missouri Bundled Retail Load. As a participant in the SPP, Liberty may remain subject to charges from the SPP for Bundled Retail Load under the OATT that are assessed ratably to all load-serving utilities who are participants in the SPP, but who are not taking Transmission Service for their Bundled Retail Load under the OATT. No ratemaking treatment has been adopted for these changes.
>
> D. The Service Agreement (unless it is terminated pursuant to its terms) shall continue in its current form; provided that the Commission may rescind its approval of Liberty's participation in the SPP and may require Liberty to withdraw from participation in the SPP if the Commission determines withdrawal is in the public

[3] These provisions are substantively similar to those ordered by the Commission for Energy Missouri Metro and Evergy Missouri West in Case No. EO-2012-0135, Order Granting Motion To Modify Stipulation And Agreement Requirements (issued July 12, 2023).

interest for reasons that include, but are not limited to, the following:

(i) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on SPP, that has the effect of precluding the Commission from continuing to set the transmission component of Liberty's rates to serve its Missouri Bundled Retail Load; or

(ii) The issuance by FERC of an order, or the adoption by FERC of a final rule or regulation, binding on Liberty, that has the effect of amending, modifying, changing, or abrogating in any material respect, any term or condition of the Service Agreement previously approved by the Commission and by FERC.

(iii) Liberty shall immediately notify the Stakeholders if Liberty becomes aware of the issuance of any order, rule, or regulation amending, modifying, changing, or abrogating any term or condition of the Service Agreement. Any stakeholder is free to make a filing with the Commission as a result of an action by FERC, as described in this provision.

E. Unless ordered otherwise by the Commission, any order issued by the Commission that, on a basis provided for in paragraph D(i) or D(ii), terminates the Commission's approval of Liberty's participation in the SPP shall be effective when Liberty has re-established functional control of its transmission system as a transmission provider or transfers functional control to another entity depending on further orders of the Commission and the FERC.

F. If Liberty desires to securitize the revenues associated with its transmission system, it shall obtain additional prior permission and approval from the Commission.

G. If Liberty decides to seek any fundamental change in its membership participation or membership status in the SPP, it shall seek prior approval from the Commission no later than five business days after its filing with the FERC for authorization of that change.

H. For transmission facilities located in Liberty's certificated service territory that are constructed by a Liberty affiliate and that are subject to regional cost allocation by SPP, for ratemaking purposes in Missouri, the costs allocated to Liberty by SPP shall be adjusted by an amount equal to the difference between: (i) the annual revenue requirement for such facilities that would have resulted if Liberty's Commission-authorized ROE and capital structure had been applied and there had been no construction work in progress (CWIP) (if applicable), or other FERC Transmission Rate Incentives, including Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities and (ii) the annual FERC-authorized revenue requirement for such facilities. The ratemaking treatment established in this provision will, unless otherwise agreed or ordered, continue as long as Liberty's transmission system remains under SPP's functional control.

I. Liberty shall convene a meeting of the Signatories should an event(s) or circumstance(s) occur in the SPP footprint or that of an adjacent RTO of which Liberty is aware that Liberty believes significantly affects its position in SPP. Liberty shall apprise Stakeholders by email of such events that may affect its position in SPP. Any Stakeholder can request such a meeting be convened for the same reason. If, because of such a meeting, Liberty agrees that a further filing respecting its RTO participation should be made, it may make such a filing and it may include a cost-benefit study with its filing if it believes a cost-benefit study is warranted. If because of such a meeting Liberty does not agree that such a filing should be made, or that such a filing should be made but that a cost benefit study is not warranted, any Stakeholder can petition the Commission to enter, after hearing, its order requiring a further filing with or without a cost-benefit study.

J. Any cost-benefit study to be submitted, pursuant to a Commission order under paragraph I, will at a minimum examine continued participation in SPP versus participation in MISO or another RTO as appropriate for a range of years of not less than five (5) nor more than twenty (20) years. With respect to any such cost-benefit study, Liberty shall work with Staff and OPC and give them substantive input regarding the development of the specific methodology, inputs, outputs, and other features to be included in such a cost-benefit study. Liberty shall also advise and update SPP and MISO regarding the cost-benefit study. If any difference of opinion regarding the scope, particular details or preliminary assumptions that are necessary to and part of such a cost-benefit study arises, Liberty shall ultimately have responsibility for, and the burden of presenting a study in support of, whatever position it deems appropriate and necessary at the time of its filing, respecting its further RTO participation or operation as an ICT. Accordingly, Liberty is entitled to maintain a level of independence and control of any such cost-benefit study, while other parties retain their right to oppose Liberty's positions, or to provide alternative positions. Subject to any applicable privilege recognized by law and the provisions of the Commission's rule regarding confidential information, Staff and OPC shall be given access to data necessary for, and used in, preparing any such cost-benefit study, and shall be given the opportunity to have meaningful input in the preparation of any such cost-benefit study. Furthermore, Liberty shall advise and update the appropriate RTO(s) regarding such a cost-benefit study. Liberty will also provide regular reports regarding the progress and, if requested, reasonable details of the study to any party to this case that requests such updates or information. To maintain its independence and control of such cost-benefit study, Liberty shall act as the project manager for such cost-benefit study and shall engage and direct the work of Liberty or consultants assigned or retained to perform the cost- benefit study.

K. Liberty shall provide the Staff and OPC a presentation on the current and near-term plans for Liberty and its affiliates regarding local and regional transmission construction in Missouri annually at a mutually convenient time and location until the transmission projects identified in the 2024 ITP are completed and placed in service. Thereafter, if no transmission projects related to the SPP planning process are planned, Liberty may satisfy this obligation by notifying Staff and OPC of such status.

19. Counsel for Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West and for the Southwest Power Pool have stated that these parties have no objection to the Joint Motion. Dogwood Energy, LLC was previously a party to this case. However, a Motion to Dismiss Dogwood as a party was filed on August 12, 2026, and is unopposed.

WHEREFORE, Liberty, Staff, OPC and SPP request an order of the Commission granting this Joint Motion to Modify the Stipulation and Agreement and Order and approving The Empire District Electric Company d/b/a Liberty's Membership in the Southwest Power Pool, pursuant to the conditions identified herein. Liberty requests such additional relief as is just and proper under the circumstances.

Respectfully submitted,

/s/ *Dean L. Cooper*
Dean L. Cooper MBE #36592
BRYDON, SWEARENGEN & ENGLAND, P.C.
312 East Capital Avenue
P.O. Box 456
Jefferson City, Missouri 65702
Phone: (573) 635-7166
E-Mail: dcooper@brydonlaw.com
ATTORNEYS FOR THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY

/s/ Travis J. Pringle
Travis J. Pringle
Missouri Bar No. 71128
Senior Counsel for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Mo 65102-0360
(573) 751-5700 (Telephone)
(573) 526-1500 (Facsimile)
(Email) travis.pringle@psc.mo.gov

/s/ *Lindsay VanGerpen*
Lindsay VanGerpen (#71213)
Senior Counsel
Missouri Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102
Telephone: (573) 751-5565
Facsimile: (573) 751-5562
E-mail: Lindsay.VanGerpen@opc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that the above document was filed in EFIS on this 4th day of September 2026, with notification of the same being sent to all counsel of record.

/s/ *Dean L. Cooper*