

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-2027-_____
Date Testimony Prepared: October 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

October 1, 2026



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FOR THE DIRECT TESTIMONY OF MONICA K. GLOODT
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
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DIRECT TESTIMONY OF MONICA K. GLOODT
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 III 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 III in June
14 2026.

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, EO-
19 2025-0268, ER-2026-0089, EO-2026-0090, ER-2026-0260 and EO-2026-0261. I also
20 submitted direct testimony before the Arkansas Public Service Commission in Docket
21 Nos. 18-054-TF, 18-055-TF, 13-111-U, 16-053-U, and 22-085-U.

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

2 A. The purpose of my testimony is to support Liberty’s October 1, 2026 Fuel Adjustment
3 Rate (“FAR”) tariff filing pursuant to the Company’s Fuel Adjustment Clause (“FAC”)
4 tariff. My testimony explains the fuel and purchased power costs incurred during the
5 March 1, 2026 through August 31, 2026 Accumulation Period, the calculation of the
6 proposed FARs, the recovery of costs deferred pursuant to a Commission-approved
7 settlement associated with the Company’s prior FAR filing, the implementation of FAC
8 tariff modifications approved in Case No. ER-2024-0261, and a correction related to
9 certain ammonia expenses that were reclassified to a FAC-eligible account.

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 **II. OVERVIEW OF THE FAC FILING**

18 **Q. Please describe Liberty’s FAC and FAR filing obligations.**

19 A. The Commission’s rule governing fuel and purchased power cost recovery mechanisms
20 for electric utilities – specifically 20 CSR 4240-20.090(8) – requires the Company to
21 make periodic FAC filings that are designed to enable Commission review of the actual
22 fuel costs, purchased power costs, cost of consumables associated with the power
23 plants’ air quality control system (“AQCS”), net cost of emission allowances, revenue
24 from the sale of renewable energy credits (“REC”), and off-system sales margins

1 (collectively referred to as total energy costs) that the Company has incurred during an
2 Accumulation Period. In addition, these periodic filings are designed to adjust the FAC
3 rates up or down, to reflect the actual energy costs incurred during the Accumulation
4 Period. Liberty's FAC tariff calls for two adjustment filings per year: a filing covering
5 the six-month Accumulation Period running from September through February and a
6 second filing covering the Accumulation Period running from March through August.
7 Any increases or decreases in rates approved by the Commission, or that take effect by
8 operation of law, are then collected from, or refunded to customers over two six-month
9 Recovery Periods: June through November and December through May.

10 **Q. Does the Company's FAC tariff include safeguards designed to limit recovery to**
11 **the actual prudently incurred costs?**

12 A. Yes. The Company's FAC and the Commission's rule governing FACs include two
13 safeguards limiting FAC recovery to actual, prudently incurred energy costs: (1) a true-
14 up process that safeguards that the FAC collections during the Recovery Period do not
15 exceed actual energy costs incurred during the Accumulation Period; and (2) a
16 requirement that Liberty's energy costs be subjected to periodic prudence reviews. The
17 Commission most recently reviewed Liberty's FAC operations in Case No. EO-2026-
18 0057. On March 2, 2026, Staff filed a report in which Staff identified no incidence or
19 evidence of imprudence by the Company in the items that Staff examined for the period
20 March 1, 2024, through August 31, 2025. Additionally, on March 16, 2026, the
21 Commission issued an approval order, effective April 15, 2026, finding Staff's report
22 and recommendation to be reasonable.

23 **Q. What are the primary results of this FAC filing?**

1 A. For the March 2026 through August 2026 Accumulation Period, Liberty's actual fuel
2 and purchased power costs eligible for recovery through the FAC exceeded the
3 corresponding base energy costs included in customer rates by approximately
4 \$515,033. Pursuant to the Company's FAC tariff, Liberty is seeking recovery of
5 approximately 95 percent of that difference or approximately \$489,281. This filing
6 also includes recovery of fuel and purchase power costs deferred pursuant to a
7 Commission-approved settlement associated with the Company's prior FAR filing,
8 applicable true-up adjustments, interest expense, and the correction of certain ammonia
9 expenses that were determined to be FAC-eligible. Together, these items form the
10 basis of the proposed FAR rates included in this filing.

11 **Q. How will the proposed FAC filing impact a typical residential customer?**

12 A. For a Missouri residential customer using 1,000 kWh per month, the electric bill will
13 decrease by approximately \$3.22 per month over the six-month period December 2026
14 through May 2027, when the requested FAC secondary expansion factor of \$0.00626
15 is applied to their bill and the previous FAC recovery factor of \$0.00949 is eliminated
16 from their bill.

17 **III. DEVELOPMENT OF THE PROPOSED FAR**

18 **Q. Please describe the changes made to Liberty's FAC tariff in Case No. ER-2024-**
19 **0261, the most recent general rate case?**

20 A. In the Company's most recent general rate case, Case No. ER-2024-0261, the FAC
21 tariff was revised to reflect the following items (1) to establish a separate FAR
22 applicable to customers receiving service at the transmission voltage level, (2) reflect
23 transmission cost recovery percentages of 21.39% for qualifying Southwest Power
24 Pool ("SPP") transmission costs and 50% for qualifying Midcontinent Independent

1 System Operator (“MISO”) transmission costs, and (3) incorporate a new base factor
2 of \$.01397 per kWh, or \$13.97 per MWh. The FAC continues to operate under a
3 95%/5% sharing mechanism.

4 **Q. When did those tariff revisions become effective?**

5 A. The changes became effective on August 3, 2026.

6 **Q. How did Liberty’s actual net fuel costs compare to the net fuel costs included in**
7 **base rates during the Accumulation Period ending August 31, 2026?**

8 A. During the March 2026 through August 2026 Accumulation Period, two separate FAC
9 base factors were in effect. From March 1, 2026, through August 2, 2026, the
10 applicable base factor was \$8.70 per MWh. Beginning August 3, 2026, a revised base
11 factor of \$13.97 per MWh approved in Case No. ER-2024-0261 became effective.
12 Liberty’s actual fuel and purchase power costs for the Accumulation Period were
13 approximately \$10.00 per MWh. Although the revised base factor increased the
14 amount of fuel costs recovered through base rates during the final month of the
15 Accumulation Period, the Company’s fuel costs for the six-month Accumulation
16 Period ending August 31, 2026, remained higher than the amount recovered through
17 base rates, resulting in an under-recovery.

18 **Q. If the Commission recently approved a new FAC base factor, why does a**
19 **difference still exist between actual fuel and purchased power costs and the costs**
20 **reflected in base rates?**

21 A. The FAC base factor established in Case No. ER-2024-0261 represents a normalized
22 estimate of fuel and purchased power costs based on information available during the
23 rate case. While that estimate was developed using the best available forecasts and
24 assumptions regarding generation costs, market energy prices, weather, transmission

1 congestion, unit outages, purchased power costs, and other factors, actual conditions
2 experienced during the respective Accumulation Period costs will inevitably differ
3 from those assumptions. As a result, actual fuel and purchased power expenses may be
4 either higher or lower than the amounts included in base rates. The FAC mechanism is
5 designed to reconcile those differences and ensure customers pay the actual prudently
6 incurred fuel and purchased power costs over time.

7 **Q. How did actual fuel and purchase power costs compare to the Company's**
8 **budgeted expectations.**

9 A. While actual fuel and purchase power costs exceeded the base factor applicable during
10 the Accumulation Period, they were significantly lower than the Company's budgeted
11 fuel and purchase power costs of approximately \$15.15 per MWh. Actual fuel and
12 purchase power costs averaged approximately \$10.00 per MWh during the
13 Accumulation Period ending August 31, 2026. The lower-than-budgeted costs were
14 driven primarily by lower wholesale energy market prices within Southwest Power
15 Pool ("SPP"), which were influenced in large part by lower natural gas prices than
16 anticipated when the budget was prepared.

17 **Q. Does this filing include recovery of costs deferred pursuant to a prior**
18 **Commission-approved settlement?**

19 A. Yes. During the September 2025 through February 2026 Accumulation Period, Liberty
20 experienced significantly higher fuel and purchased power costs, with total FAC-
21 eligible costs exceeding the corresponding base fuel costs by approximately \$34.6
22 million, primarily as a result of Winter Storm Fern in January 2026. To reduce the
23 immediate bill impact on customers, the parties entered into a Global Stipulation and
24 Agreement in Case Nos. ER-2026-0260 and EO-2026-0261 that authorized the deferral

1 of approximately \$13.254 million of eligible fuel and purchased power costs from the
2 FAR rates that became effective on June 1, 2026. As provided for in the settlement,
3 the deferred amount is included in the FAR calculations presented in this filing and is
4 proposed for recovery during the December 1, 2026 through May 31, 2027 Recovery
5 Period.

6 **Q. Were any reclassifications included in the FAC calculations reflected in this**
7 **filing?**

8 A. Yes. During April 2026, the Company determined that certain ammonia-related
9 expenses incurred between April 2024 and March 2026 had been inadvertently
10 recorded to Account 548000, which is not FAC eligible. The Company reclassified
11 approximately \$438,705 of those costs to FAC-eligible Account 548202. As a result,
12 the reclassified amount is reflected in the Fuel-AQCS component of the FAC
13 calculations included in this filing.

14 **Q. What true-up amount is included in the proposed FAR calculations?**

15 A. As part of the FAC mechanism, the Company is required to include an approved true-
16 up adjustment to reconcile prior FAC collections and recoveries. This filing includes
17 an over-recovered true-up balance of approximately \$836,823, which is reflected in the
18 FAR calculations.

19 **Q. Does the proposed FAR calculation include interest?**

20 A. Yes. Consistent with the Company's FAC tariff and the Commission's FAC rules, the
21 proposed FAR calculation includes approximately \$607,303 of interest associated with
22 the deferred balances reflected in this filing.

23 **Q. What components comprise the proposed FAR calculation?**

1 A. The amount reflected in the Company's proposed FAR consists of: (1) approximately
2 \$489,281 representing 95 percent of the current Accumulation Period fuel and
3 purchased power costs difference; (2) approximately \$13.254 million of deferred fuel
4 and purchased power costs authorized for recovery pursuant to the prior Commission-
5 approved settlement; (3) the applicable true-up adjustment, including an over-
6 recovered balance of approximately \$836,823; (4) \$438,705 amount related to the
7 correction of reclassified FAC-eligible expenses; and (5) approximately \$607,303 of
8 interest expense. These components are reflected in the FAR calculation presented in
9 **Direct Schedule MKG-1.**

10 **Q. How does the Company propose to recover these costs from customers?**

11 A. Pursuant to the Company's most recently authorized FAC tariff, three separate FARs
12 were established to recover the FPA. Each FAR is calculated using forecasted Missouri
13 retail sales for the next Recovery Period: a FAR of \$0.00614 per kilowatt-hour (kWh)
14 for primary service; and a FAR of \$0.00626 per kWh for secondary service; a FAR of
15 \$0.00604 per kWh for transmission service. These FARs will enable Liberty to recover,
16 over a Recovery Period ending May 31, 2027, the difference between fuel and purchase
17 power costs built into its base rates and the total fuel and purchase power costs actually
18 incurred during the Accumulation Period. In addition, Liberty will recover the true-up
19 amount of fuel and purchase power costs during the Recovery Period ended May 31,
20 2026.

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

23 A. The data upon which Liberty based the values for each of the variables in the approved
24 FAR formula are included on the schedule came from Liberty's books and records.

1 **Direct Schedule MKG-1** contains the basic tariff filing information that is required to
2 calculate the proposed change in the FAR. In addition, the detailed information
3 required by 20 CSR 4240-20.090(8)(A)(2) is included in my testimony as **Confidential**
4 **Direct Schedule MKG-2**. Additional information about the true-up amount is being
5 filed concurrently in a separate docket. Also, as required by Commission Rule 20 CSR
6 4240-20.090, I am separately providing these workpapers with all parties of record in
7 Case No. ER-2024-0261.

8 **Q. Do you expect average energy costs during the next Accumulation Period to be**
9 **above or below the current base factor?**

10 A. Based upon a review of the current natural gas market, we expect fuel and purchase
11 power costs to be lower than the current FAC base factor of \$13.97/MWh during the
12 Accumulation Period of September 2026 – February 2027. This is subject to change
13 based on any fluctuations in natural gas and market prices, extreme weather, or other
14 unforeseen events.

15 **IV. NEW CHARGE TYPES**

16 **Q. Did Liberty include new charge types in the March 2026 through August 2026**
17 **Accumulation Period?**

18 A. Yes. Liberty included 11 new SPP market settlement charge types associated with
19 SPP's expansion into the Western Interconnection. The underlying SPP tariff revisions
20 were approved by FERC in Docket No. ER24-2184, with the new settlement provisions
21 becoming effective for April 1, 2026, operating date. The Company filed notice of these
22 new charge types on July 23, 2026, in Case No.'s ER-2021-0312 and ER-2024-0261.

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

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

5 1. Real-Time Regulation Service Deployment Adjustment Distribution
6 Amount

7 2. Day-Ahead Transmission Congestion Rights West DC Tie Funding
8 Amount

9 3. Real-Time Transmission Congestion Rights West DC Tie Funding Amount

10 4. West DC Tie Federal Service Exemption Amount

11 5. Real-Time Pseudo-Tie Distribution Amount

12 6. Real-Time Out-Of-Merit Distribution Amount

13 7. Real-Time Price Correction Amount

14 8. Real-Time Price Correction Distribution Amount

15 9. Real-Time Joint Operating Agreement Distribution Amount

16 10. Incremental Market Efficiency Use Amount

17 11. Incremental Market Efficiency Use Distribution Amount

18 V. **CONCLUSION**

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

20 A. Yes.

VERIFICATION

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

/s/ Monica K. Gloodt