BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric Company d/b/a Liberty for Authority to Implement Rate Adjustments Related to the Company's Fuel and Purchase Power Adjustment (FAC) Required in 20 CSR 4240-20.090(8)	))))))	**File No. ER-2027-0103** Tracking No. JE-2027-0046

STAFF RECOMMENDATION

COMES NOW, the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its *Staff Recommendation*, states as follows:

1. On October 1, 2026, The Empire District Electric Company d/b/a Liberty ("Liberty" or "Company") filed one (1) proposed tariff sheet, 13th Revised Sheet No. 17q, Canceling 12th Revised Sheet No. 17q, bearing a proposed effective date of December 1, 2026, to revise the Current Period Fuel Adjustment Rates[1] ("FARs") of its Fuel Adjustment Clause ("FAC") used to determine the Fuel Adjustment Charge on customers' bills. Liberty also filed direct testimony of its witness Monica K. Gloodt on October 1, 2026, and submitted to Commission Staff ("Staff") work papers in support of the proposed tariff sheet. The Commission assigned the tariff sheet to Tariff Tracking No. JE-2027-0046.

[1] The Current Period FARs for service at transmission, primary voltage and above and for service at secondary voltage are located on lines 15, 16 and 17, respectively, of proposed 13th Revised Sheet No. 17q.

2. On October 28, 2026, Liberty filed substitute tariff sheets[2] to remove the ammonia adjustment that was included in the originally filed tariff, and the Company is proposing changes to the headers of Tariff Sheet Nos. 17i through 17p.

3. On October 1, 2026, the Commission entered an *Order* directing Staff to file a recommendation no later than October 30, 2026, and for any other responses to be filed no later than November 6, 2026.

4. Concurrently on October 1, 2026, Liberty submitted a FAC true-up authorization request filing in File No. EO-2027-0104, to identify the true-up amount of $(836,823) identified in this filing is the result of an over-collection of the Fuel and Purchased Power Adjustment ("FPA") amount for Accumulation Period 34 ("AP34") during Recovery Period 34 ("RP34").

5. Commission Rule 20 CSR § 4240-20.090(8)(F) provides that "[w]ithin thirty (30) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the staff shall submit a recommendation regarding its examination and analysis to the commission[.]" Staff must determine if Liberty's proposed adjustments to its FAC rates are in accordance with 20 CSR § 4240-20.090 ("Fuel and Purchased Power Rate Adjustment Mechanisms"), § 386.266 RSMo, and the "FAC mechanism established, continued, or modified in the utility's most recent general rate proceeding."[3]

6. If the proposed rate adjustments are in accordance with the rule, statute, and FAC mechanism referenced above, 20 CSR § 4240-20.090(8)(H)(1) and (2) provide:

[2] Except as otherwise stated, all references herein to the tariff sheet in Tariff tracking No. JE-2027-0046 shall be to the substitute proposed tariff sheets that Liberty filed October 28, 2026.
[3] 20 CSR § 4240-20.090(8)(F)3.

> (H) Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either – 1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs [or] 2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order[.]

7. The Current Period FAR of $0.00567 per kWh (Line 14 of 13th Revised Sheet No. 17q) is equal to the FPA Amount of $13,142,491 divided by the forecasted Missouri net system input ("NSI") for RP36 of 2,319,606,770 kWh, found on Line 13 of 13th Revised Sheet No. 17q.

8. Based on a monthly usage of 1,000 kWh, the proposed change to the FAR will decrease the Fuel Adjustment Charge of a Liberty residential customer's bill from $9.49 to $6.09, a decrease in the customer's bill by approximately $3.40 per month.

9. Company witness Monica K. Gloodt provides context for the decrease in the FAR's rates:

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

10. Liberty experienced significantly higher fuel and purchased power costs, primarily as a result of Winter Storm Fern in January 2026 and the parties entered into a Global Stipulation and Agreement in Case Nos. ER-2026-0260 and EO-2026-0261 that authorized the deferral of approximately $13.254 million of eligible fuel and purchased

power costs from the FAR rates, and that deferred amount is included in this current AP 36 calculations presented in this filing.

11. Staff verified that Liberty is not delinquent on any assessment and has filed its 2025 annual report. Liberty is current on submission of its monthly reports, required by 20 CSR § 4240-20.090(5), and its surveillance monitoring reports, required by 20 CSR § 4240-20.090(6).

12. As set forth in Staff's Recommendation filed herewith and incorporated herein by reference, Staff has reviewed Liberty's filings, and Staff recommends the Commission issue an order approving the proposed substituted tariff sheets, to become effective on December 1, 2026, as requested by Liberty, subject to both true-up and prudence reviews.

WHEREFORE, Staff respectfully requests that the Commission accept its Recommendation on this matter; and grant such other and further relief as the Commission considers just and reasonable in the circumstances.

Respectfully submitted,

/s/ Ray Cunneen
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First-Class United States Postal Mail, postage prepaid, on this 30th day of October, 2026, to all counsel of record.

/s/ Ray Cunneen

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File
File No. ER-2027-0103, Tariff Tracking No. JE-2027-0046
The Empire District Electric Company, d/b/a Liberty (Empire)

FROM: Stacy L. Henderson, Senior Utility Regulatory Auditor

DATE: /s/ Stacy L. Henderson October 30, 2026
Energy Resources Department / Date

SUBJECT: Staff Recommendation for Approval of Tariff Sheet Filed to Change Rates Related to The Empire District Electric Company, d/b/a Liberty (Empire) Fuel Adjustment Clause

DATE: October 30, 2026

Summary and Staff Recommendation

On October 1, 2026, The Empire District Electric Company d/b/a Liberty (hereinafter "Liberty" or "Company") filed one (1) proposed tariff sheet, 13th Revised Sheet No. 17q, Canceling 12th Revised Sheet No. 17q, bearing a proposed effective date of December 1, 2026, to revise the Current Period Fuel Adjustment Rates[1] ("FARs") of its Fuel Adjustment Clause ("FAC") used to determine the Fuel Adjustment Charge[2] on customers' bills. Liberty also filed direct testimony of its witness Monica K. Gloodt on October 1, 2026, and submitted to Commission Staff ("Staff") work papers in support of the proposed tariff sheet. The Commission assigned the tariff sheet to Tariff Tracking No. JE-2027-0046. On October 28, 2026, Liberty filed a substitute tariff sheet[3] to remove the ammonia adjustment that was included in the originally filed tariff. During Staff's review, the Company and Staff discussed a $438,705.49 adjustment related to ammonia expense that had been reclassified to an account eligible for recovery through the FAC. The parties were unable to reach agreement regarding the treatment of the adjustment for purposes of

[1] The Current Period FARs for service at transmission, primary voltage and above and for service at secondary voltage are located on lines 15, 16 and 17, respectively, of proposed 13th Revised Sheet No. 17q.
[2] The actual line item on the customer's bill is: Fuel Charge.
[3] Except as otherwise stated, all references herein to the tariff sheet in Tariff tracking No. JE-2027-0046 shall be to the substitute proposed tariff sheets that Liberty filed October 28, 2026.

the current filing. To allow the current FAR filing to proceed, the Company removed the $438,705.49 adjustment from the proposed FAR. The Company will continue to work with the parties regarding the eligibility of these costs for recovery in a future FAR filing.

In addition to the substitute filing for Tariff Sheet No. 17q, the Company and Staff discussed revisions to the dates reflected in the headers of Tariff Sheet Nos. 17i through 17p. The parties agreed to the revisions, and the Company is therefore proposing corresponding changes to the headers of Tariff Sheet Nos. 17i through 17p. The Company continues to request an effective date of December 1, 2026, for the revised tariff sheets.

The revised FAC rate reflects the actual energy costs incurred by Liberty on behalf of its Missouri customers. Ammonia expenses were removed and are subject to additional discussion. For a Missouri residential customer using 1,000 kWh per month, the revised FAR will decrease the customer's electric bill by approximately $3.40 per month during the six-month period from December 2026 through May 2027.

Liberty's AP36 FARs

Testimony and work papers include information that supports Liberty's calculation of the dollar amount[4] used to calculate the FARs for Accumulation Period 36 ("AP36"). That dollar amount is $13,142,491 and results from:

1. The amount of $124,023, found on Line 7 of 13th Revised Sheet No. 17q, which is equal to 95% of the difference between: a) Liberty's Missouri jurisdiction[5] actual fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenue[6] and less renewable energy credits ("REC") revenue; and b) Liberty's Missouri

[4] The dollar amount used to calculate the Current Period FAR is called the Fuel and Purchased Power Adjustment ("FPA") which is located on Line 12 of proposed 13th Revised Sheet No. 17q.
[5] For AP36, J is equal to 88.29% as reflected on line 4 of 13th Revised Sheet No. 17q. The 88.29% J factor is derived from dividing total Missouri Retail kWh Sales for this accumulation period by the Total System kWh Sales for this accumulation period. As explained in footnote 2 of the current tariff, Liberty calculates (TEC-B)*J on a monthly basis, and Line 5 is the sum of each month's calculation. For this reason, the calculation of the total energy cost minus the net base energy cost (line 3) multiplied by the Missouri Energy Factor (line 4) does not equal the amount entered on line 5.
[6] For AP36, this amount is $26,036,526 as reflected on line 1 of 13th Revised Sheet No. 17q.

jurisdiction net base energy cost[7] during AP36; plus

2. The deferred amount of $13,254,105, which is from the Global Stipulation and Agreement in Case No. ER-2026-0260 that authorized the deferral; plus
3. The true-up amount of $(836,823)[8] which is the over-recovery amount of the FARs for Recovery Period 34 ("RP34"), found on Line 9 of 13th Revised Sheet No. 17q; plus
4. The interest for AP36, including over/under cumulative recovery balances from AP34 and AP35, all equal to $601,186, found on Line 11 of 13th Revised Sheet No. 17q

The Current Period FAR of $0.00567 per kWh (Line 14 of 13th Revised Sheet No. 17q) is equal to the FPA Amount of $13,142,491 divided by the forecasted Missouri net system input ("NSI") for RP36 of 2,319,606,770 kWh, found on Line 13 of 13th Revised Sheet No. 17q.

Because of a difference in line losses, there are different FARs for service taken at transmission, primary and secondary voltage level. When accounting for line losses for the different voltage levels, the proposed FARs are $0.00588 per kWh for customers receiving service at transmission voltage level, $0.00597 per kWh for customers receiving service at primary voltage level, and $0.00609 per kWh for customers receiving service at secondary voltage level. Liberty's present FARs are $0.00931 per kWh for customers receiving service at primary voltage level, and $0.00949 per kWh for customers receiving service at secondary voltage level.[9]

[7] For AP36, this amount is $25,789,820 as reflected on line 2 of 13th Revised Sheet No. 17q.
[8] Liberty's RP34 true-up filing is contained in File No. EO-2027-0104.
[9] Lines 15, 16 of and 17 13th Revised Sheet No. 17q.

Fuel Adjustment Rates ($ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Transmission	n/a[10]	$0.00588	$0.00604 Increase
Primary	$0.00931	$0.00597	$0.00334 Decrease
Secondary	$0.00949	$0.00609	$0.00340 Decrease

Based on a monthly usage of 1,000 kWh, the proposed change to the FAR will decrease the Fuel Adjustment Charge of a Liberty residential customer's bill from $9.49 to $6.09, a decrease in the customer's bill by approximately $3.40 per month. The accumulation periods, recovery periods, and other specifications of Liberty's existing FAC are set out in its currently effective tariff sheets.

Company witness Monica K. Gloodt describes the reasons for the decrease in the FAR's rates, while actual fuel and purchase power costs exceeded the base factor applicable during the Accumulation Period, they were significantly lower than the Company's budgeted fuel and purchase power costs of approximately $15.15 per MWh. Actual fuel and purchase power costs averaged approximately $10.00 per MWh during the Accumulation Period ending August 31, 2026. The lower-than-budgeted costs were driven primarily by lower wholesale energy market prices within Southwest Power Pool ("SPP"), which were influenced in large part by lower natural gas prices than anticipated when the budget was prepared.[11]

Winter Storm Fern Deferral Amount

During the September 2025 through February 2026 Accumulation Period 35, Liberty experienced significantly higher fuel and purchased power costs, with total FAC eligible costs exceeding the corresponding base fuel costs by approximately $34.6 million, primarily as a result of Winter Storm Fern in January 2026. To reduce the immediate bill

[10] Signatories to the Non-Unanimous Global Stipulation and Agreement in ER-2024-0261 agreed to a voltage adjustment factor applicable to transmission service.
[11] Monica Gloodt Direct Testimony, page 6, lines 9 through 16.

impact on customers, the parties entered into a Global Stipulation and Agreement in Case Nos. ER-2026-0260 and EO-2026-0261 that authorized the deferral of approximately $13.254 million of eligible fuel and purchased power costs from the FAR rates, and that deferred amount is included in this current AP 36 calculations presented in this filing.

Staff Review

Staff reviewed Liberty's proposed 13th Revised Sheet No. 17q, Canceling 12th Revised Sheet No. 17q, the direct testimony of Liberty witness Monica K. Gloodt, filed on October 1, 2026, the substitute filing, filed on October 28, 2026, and Liberty's monthly filings and work papers for AP36. Staff verified that the actual fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenues and less REC revenues, match the fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenues and less REC revenues in Liberty's proposed 13th Revised Sheet No. 17q, Canceling 12th Revised Sheet No. 17q. Staff also reviewed Liberty's monthly interest rates that are applied to the monthly over- and under-recovery amounts for AP36, including cumulative amounts for AP34 and AP35, and the calculation of the monthly interest amounts. The information filed with the tariff sheet and work papers includes sufficient data to calculate the FARs for AP36.

Staff Recommendation

Liberty filed the 13th Revised Sheet No. 17q, Canceling 12th Revised Sheet No. 17q, and based on Staff's review, Staff has determined that the adjustment is in compliance with Commission Rule 20 CSR 4240-20.090, Section 386.266 RSMo, and Liberty's FAC embodied in its tariff.

Commission Rule 20 CSR 4240-20.090(8)(H) provides in part:

> (H) Within sixty (60) days after the electric utility files its testimony and tariff sheet(s) to adjust its FARs, the commission shall either—
>
> 1. Issue an interim rate adjustment order approving the tariff sheet(s) and the adjustments to the FARs;

> 2. Allow the tariff sheet(s) and the adjustments to the FARs to take effect without commission order; or
>
> 3. If it determines the adjustment to the FARs is not in accordance with the provisions of this rule, section 386.266, RSMo, and the FAC mechanism established in the electric utility's most recent general rate proceeding, reject the proposed rate sheets, suspend the timeline of the FAR adjustment filing, set a prehearing date, and order the parties to propose a procedural schedule. The commission may order the electric utility to file tariff sheet(s) to implement interim adjusted FARs to reflect any part of the proposed adjustment that is not in question.

Liberty has requested that the 13th Revised Sheet No. 17q, cancelling 12th Revised Sheet No. 17q, filed on October 1, 2026, become effective on December 1, 2026. Thus, the tariff sheet was filed with sixty (60) days notice.

Based on its examination and analysis of the information Liberty filed and submitted in this case, Staff recommends the Commission issue an order approving the following proposed tariff sheet, to become effective on December 1, 2026, as requested by Liberty, subject to both true-up and prudence reviews:

P.S.C. Mo. No. 6 Section 4

13th Revised Sheet No. 17q, cancelling 12th Revised Sheet No. 17q.

Staff's recommendation for approval of the Current Period FARs in this case is solely based on the accuracy of Liberty's calculations and is not indicative of the prudence of the fuel costs during AP36.

Staff has verified that Liberty has filed its 2025 annual report and is not delinquent on any assessment. Liberty is current on its submission of its surveillance monitoring reports as required in 20 CSR 4240-20.090(6) and its monthly reports as required by 20 CSR 4240-20.090(5).

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the The Empire District Electric Company d/b/a Liberty for Authority to Implement Rate Adjustments Related to the Company's Fuel and Purchase Power Adjustment (FAC) Required in 20 CSR 4240-20.090(3)	))))))	File No. ER-2027-0103 Tracking No. JE-2027-0046

AFFIDAVIT OF STACY L. HENDERSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW STACY L. HENDERSON and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Staff Recommendation in memorandum form; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

STACY L. HENDERSON

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 28th day of October 2026.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2029
Commission Number: 12412070

Notary Public