Exhibit No. 223

OPC – Exhibit 223
Testimony of Manzell Payne
Surrebuttal
File No. ER-2024-0261

Exhibit No.: _____
Issue(s): Environmental Tracker/Response to Liberty Witness Shaen Rooney/Market Price Protection Mechanism/Transportation Electrification Pilot Program
Witness/Type of Exhibit: Payne/Surrebuttal
Sponsoring Party: Public Counsel
Case No.: ER-2024-0261

SURREBUTTAL TESTIMONY

OF

MANZELL PAYNE

Submitted on Behalf of the Office of the Public Counsel

THE EMPIRE DISTRICT ELECTRIC COMPANY
D/B/A LIBERTY

FILE NO. ER-2024-0261

September 17, 2025

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OF

MANZELL M PAYNE

THE EMPIRE DISTRICT ELECTRIC COMPANY D/B/A LIBERTY

CASE NO. ER-2024-0261

Q. What is your name, title, and business address?

A. My name is Manzell Payne. I am a Utility Regulatory Auditor for the Office of the Public Counsel ("OPC" or "Public Counsel"), P.O. Box 2230, Jefferson City, Missouri 65102.

Q. Are you the same Manzell Payne who filed direct and rebuttal testimony for Public Counsel in this case?

A. Yes.

Q. Why are you filing surrebuttal testimony?

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of The Empire District Electric Company d/b/a Liberty[1] witnesses Shaen Rooney on Liberty's environmental tracker, Aaron Doll on the Market Price Protection Mechanism ("MPPM"), and Shaen Rooney's response to my direct testimony that Liberty's responses to certain of my data requests were incomplete, vague, or otherwise improper. I respond to the rebuttal testimonies of Staff witnesses Matthew Young and Amanda Arandia on the Company's proposed Environmental Compliance tracker and the Transportation Electrification Pilot Program ("TEPP").

ENVIRONMENTAL TRACKER

Q. Is Empire arguing that the Commission should authorize it now to track potential future costs it may incur for monitoring or ameliorating adverse impacts to species of wildlife at its Neosho Ridge, Kings Point, and North Fork Ridge wind projects that it presently is not required to monitor?

A. Yes.

[1] Heretofore "Company" or "Liberty."

Q. What does Company witness Shaen Rooney say about its requested tracker in his rebuttal testimony?

A. He states:

> Tracker mechanisms are designed to recover specific, often volatile or policy-driven costs, such as environmental compliance, fuel or storm restoration. These mechanisms do not eliminate oversight or accountability – they simply align cost recovery with actual expenditures, subject to Commission review. Importantly, the existence of a tracker does not remove the Company's obligation to prudently manage costs. All costs recovered through a tracker remain subject to audit, prudence review, and transparency requirements. Moreover, trackers can actually enhance cost control by providing clearer visibility into cost categories and enabling more targeted regulatory scrutiny. The Company remains committed to minimizing costs for customers while maintaining safe, reliable service, and believes that the proposed tracker mechanism would support that goal.[2]

Q. What is your position on Liberty's proposed Wind Environmental Compliance tracker?

A. As stated in my direct testimony and in my rebuttal testimony, I recommend that the Commission not authorize Liberty to track future new Wind Environmental Compliance costs. Authorizing a tracker for speculative future compliance costs that have never been mandated, are not now mandated, and which may never be mandated would shift from Empire onto its ratepayers a risk that Empire may recover for them without any assurance of the prudency or necessity of Empire incurring those costs. Liberty, without a tracker, already incurs and recovers for through retail rates other wind environmental compliance costs it incurs for its wind projects. Additionally, although available to it, Liberty has not requested an Electric Utility Environmental Cost Recovery Mechanism ("ECRM"); a mechanism which provides greater protections to customers.

[2] Company witness, Shaen Rooney's Rebuttal testimony, pp. 5 & 6. ll. 19-6.

Q. What is Staff's position?

A. Staff witness, Matthew Young, explains in his rebuttal testimony how Liberty's request for the environmental compliance tracker does not satisfy Staff's criteria for trackers. He states the following:

> Currently, Empire incurs costs in order to maintain compliance with the protection of the gray bat and Staff made no adjustment to exclude current environmental compliance costs from the revenue requirement. Empire has not shown that future cost increases driven by additional government regulations will result in expense volatility or will be a new cost to Empire's operations. Instead, Empire has requested a tracker to address the risk of an existing cost increasing above current levels. Ms. Lyons' rebuttal testimony on tracker policy explains the detrimental attributes associated with trackers justifies the limited use for ratemaking purposes.[3]

Q. Do you agree with Staff's position?

A. Yes, in addition to the issues I raise.

Q. Would you elaborate on why you disagree with Empire witness Mr. Rooney on the propriety of now authorizing Empire to track potential future environmental compliance costs it may incur for its wind projects?

A. The Company has not demonstrated the need for a tracker to isolate costs for potential future environmental mandates. The Company currently incurs environmental costs at its wind projects for compliance in protecting the gray bat. The Company can recover their costs for future mandates as they already do through traditional ratemaking procedure, where all test year costs and revenues are audited in a constant manner to determine the reasonable overall revenue requirement. Through traditional ratemaking, the Company has the incentive to control its costs and their customers are not burdened with the risk of unnecessary spending on behalf of the Company. Additionally, as it will be pointed out, later in this testimony, the Company has lacked transparency in provide responses to data requests. Mr. Rooney states that "all costs recovered through a tracker remain are subject to an audit, prudence review, and transparency requirements"[4], however, as it has shown in this case, the Company is not

[3] Staff witness, Matthew Young's Rebuttal Testimony, pp. 12 & 13, ll. 22-6.
[4] Company witness, Shaen Rooney's Rebuttal testimony, pp. 5 & 6. ll. 24-2.

transparent, so an audit or prudence review cannot be fully trusted. When environmental issues were questioned Empire failed to provide clear responses and only did so later in testimony. The Company has yet to respond to the data request directly since I pointed out their deficiencies. The lack of transparency at the discovery stage casts doubt on whether the Company would administer an environmental tracking mechanism in a way that is accountable and fair to customers.

Q. Would you summarize your recommendation to the Commission?

A. I recommend that the Commission not authorize Liberty's Wind Environmental Compliance tracker. I agree with Mr. Young that Liberty has not met the criteria to satisfy a need for the tracker and the Company already incurs costs in order to comply with their current environmental compliance. Liberty is attempting to isolate and track costs on the speculative assumption of future environmental compliance mandates. The recovery mechanisms for any pending or future regulation could result in ratepayers shouldering misaligned costs or unnecessary spending for future unknown mandates.

RESPONSE TO LIBERTY WITNESS SHAEN ROONEY

Q. What is the issue with Liberty's data request responses to which Liberty witness, Shaen Rooney responds in his rebuttal testimony?

A. As stated in my direct testimony; while preparing my testimony, I issued a number of data requests to Liberty in regard to its wind facilities. Those data requests were in relation to the MPPM, collapsed wind turbines, blade failures, and wildlife and endangered species mitigation efforts. As I pointed out in my direct testimony, Liberty's responses to many of the data requests were incomplete, vague, or failed to answer my question directly. The Company's lack of transparency in response to OPC Data Requests is concerning, as the issues of fallen turbines, blade separations, transformer failures, and wildlife-related curtailments or mitigation efforts, are not minor or isolated operational issues. These all directly affect the reliability, safety, and availability of wind generation assets for which the MPPM was created. The Company's unwillingness or inability to provide full information raises concerns about its safety protocols, asset management practices, and overall internal oversight.

Q. How does Liberty witness Shaen Rooney respond?

A. Mr. Rooney points out that while he responded to OPC data requests 1239 and 1240, he was not responsible for the responses to all three of the data requests that I highlight in my direct testimony for being incomplete, vague, or otherwise improper. He testifies that Company witness Brian Berkstresser responded to OPC data request 1210. He contends that the Company's responses were not deficient and provided full transparency. He does so by pointing to his and Company witness Charlotte Emery's direct testimonies and how they provided information on the Environmental issues Liberty faces at its wind projects. He also points out that for the lack of response to data 1210, the Company provided information in subsequent data request responses. When directed to Empire, it is Empire's obligation to have the person or persons knowledgeable on the topic respond to the data request. Empire cannot shirk that responsibility by choosing to have someone without the appropriate knowledge respond. The Commission, Staff, and intervenors rely on the Company as a whole to provide timely, complete, and accurate responses. Deficiencies in any discovery responses reflect on the Company, regardless of the individual(s) who was responsible for the Company's response. The Office of Public Counsel needs accurate and complete data responses to enable it to audit Liberty as required.

Q. Does Mr. Rooney's testimony that the environmental issues were addressed in the Company's testimony satisfy the Company's obligation to respond to Public Counsel's data requests to it?

A. No. Not only is testimony untimely, but it is also not a substitute for a clear and complete response to a data request. The purpose of discovery is to clarify and narrow the issues addressed in testimony, i.e., to allow Public Counsel, Staff and intervenors to obtain information by which they can fairly evaluate the Company's position.

Q. Does providing in subsequent data request responses the detailed information requested in Public Counsel data request 1210 satisfy the Company's obligation to respond to Public Counsel data request 1210?

A. No. The fact that the detailed responses were ultimately provided highlights that the Company's initial response to Data Request 1210 was deficient. If the Company was truly transparent as Mr. Rooney states, the information would have been provided in response to the first request, not in responses to later requests.

Q. Does Mr. Rooney's admission that the Company did not fully respond to Public Counsel Data Request 1239 reinforce that the Company is not transparent or forthcoming with information?

A. Yes. Mr. Rooney who initially answered OPC Data Request 1239, provided a reason for why the Company did not provide a complete answer to that data request. In his rebuttal testimony Mr. Rooney provided information that would have made the response to the data request more complete. Rather than providing that information in response to my initial data request he did not provide it until later when he filed his rebuttal testimony. If the Company had not received the information from the USFWS, it could have stated the reason and that the Company would provide the information at a later date. However, Liberty's response did not include that information or disclose why the Company did not provide that information.

Q. Are other Liberty data request responses incomplete, vague, or nonresponsive?

A. Yes. In response to Company Data Requests to OPC 2.1, I provided a list of data requests where Liberty's responses were incomplete, vague, or nonresponsive. There are at least 11 examples of how the Company provided deficient responses to Public Counsel Data requests. A copy of my response to Empire data request to OPC 2.1 is attached as MMP-S-1.

Q. How does the lack of transparency in its responses to data requests affect your view of the Company's proposals, including its proposed environmental tracker, interpretation of the MPPM, and the Company's wind projects?

A. The lack of transparency reinforces my concerns that Liberty is not forthcoming with information that can be used in order to fully audit and review the Company's case. This lack of transparency is detrimental to Liberty's ratepayers, for the requested tracker for environmental compliance costs and the Company's already highly scrutinized MPPM, cannot be fully and accurately analyzed by Staff, OPC, or other intervenors.

MARKET PRICE PROTECTION MECHANISM

Q. Succinctly, what have you said about the MPPM in your direct and rebuttal testimonies?

A. In my direct testimony, and also in my rebuttal testimony, I recommend that the Commission order the PPA Replacement value of the MPPM to be zero until the Elk River and Meridian Way PPAs expire to correctly portray the benefits to customers for the first 10 years of the wind projects. Additionally in my rebuttal testimony, I recommend the Commission follow

Ms. Mantle's testimony on how the MPPM should be calculated. Through these changes to the MPPM, the Company can be held to its promise of the MPPM protecting its customers over the first 10 years of the operation of the wind projects. Additionally, in my rebuttal testimony, I point out the Annual Wind Value ("AWV") is lower due to the Company incorrectly including a PPA Replacement value.

Q. How did Liberty respond to witnesses' direct testimony on the Market Price Protection Mechanism?

A. Company witness, Aaron Doll states on page 3 of his rebuttal testimony that "[i]t is unequivocally clear that the language referenced in Staff Witness Gonzales' direct testimony, derived from a Commission Order and Commission approved Stipulation and Agreement, is being followed." I disagree with this statement. If it was "unequivocally clear," then testimony would not be necessary to clarify the Commission Order. It is my position that Liberty is not following the clear language provided in its order and imputing benefits into the MPPM that were not in the MPPM ordered by the Commission.

Specifically, Mr. Doll, asserts in his rebuttal testimony that the Company calculated the PPA Replacement value correctly in accordance with the fourth partial stipulation. He specifically states:

> As stated above, the Fourth Partial Stipulation and Agreement in Case No. ER-2021-0312 states precisely how the PPA Replacement is to be calculated. There is no Commission Ordered language to support Witness Payne's statement. The Company calculated the PPA Replacement precisely as it is described in Commission Approved stipulation.[5]

Additionally, Mr. Doll disagrees with my direct testimony that the Company's lack of transparency in the MPPM calculation raises concerns. Mr. Doll states:

> Witness Payne's own testimony concedes that "any lost production will, by definition, be reflected in the MPPM calculation." The additional details he seeks relate only to the circumstances surrounding certain events, not to whether those events were

[5] Company witness, Aaron Doll's Rebuttal Testimony, pp. 5, ll. 15-19.

reflected in the MPPM. Put simply, the information he requests would not change the calculation or its outcome.[6]

Q. What is your response?

A. First, in response to Mr. Doll's rebuttal testimony, I disagree that there is no Commission Ordered language to support my statement. My statement and position follow the Commission ordered MPPM. His does not. While Mr. Doll accuses me of fundamentally rewriting the MPPM,[7] it is actually Liberty that has chosen to not follow the MPPM the Commission ordered by adding PPA Replacement values where none was intended and other elements such as insurance proceeds and TCR/ARR revenues. Mr. Doll claims that I have not offered evidence the MPPM is calculated incorrectly but he offers no evidence that the Commission ordered the inflated PPA Replacement values and the inclusion of insurance proceeds and TCR/ARR revenues.

Further, I disagree that the Company followed the fourth partial stipulation and agreement when calculating the PPA Replacement Value. Especially since there is no "Commission ordered" language detailing the calculation of the PPA Replacement value to be as how the Company is calculating the PPA Replacement value. Furthermore, the additional details that were requested through data requests that the Company answered either incompletely, vaguely, or nonresponsive are tied to the MPPM in some way. Mr. Doll's assertion that the narrative details do not change the calculation simply misses the point. Data request responses about what caused any movement in value of the MPPM, such as changes in market revenues, Renewable Energy Credit ("REC") revenues, the PPA Replacement value, etc., enables the parties to evaluate prudence. If the shortfalls are tied to avoidable curtailments or outages, the Commission may treat those shortfalls differently. The events, timing, and causes do affect whether what amounts should belong in the MPPM and are up to the Commission's determination. The narrative details that Mr. Doll wants to ignore have been observed in the short span that the Company has owned and operated their wind projects. This includes events like the failure of two main power transformers, fallen wind turbine blades, and environmental challenges. Ms. Mantle highlights in her rebuttal testimony that the Company received

[6] Company witness, Aaron Doll's Rebuttal Testimony, pp. 6, ll. 6-10.
[7] Company witness, Aaron Doll's Rebuttal Testimony, pp. 5, ll. 1-3.

insurance money for the blown transformers at Neosho Ridge and that those proceeds should be excluded from the MPPM.

Q. Do you agree with Mr. Doll that the PPA Replacement Value must be included in the MPPM even while the Elk River and Meridian Way PPAs are still in effect?

A. No. The MPPM in the Non-Unanimous Stipulation and Agreement in Case No. EA-2019-0010, as approved by the Commission, shows otherwise. The language in Appendix B of the Non-unanimous Stipulation and Agreement specifically states:

> PPA_Replacement Value = value *associated with replacing the existing wind PPAs* during the period of the guarantee, as shown on Exhibit C (row 15 excel)[8]
>
> (Emphasis added)

That same language is repeated, without the reference to the excel row, on the first page of Exhibit A attached to Appendix B in that document. Exhibit C of that same document shows the PPA Replacement value is zero for the first five years of the MPPM, which is precisely because the Elk River and Meridian Way PPA contracts were still in effect. A non-zero Replacement value does not appear until year 6, which aligns with the expiration of the Elk River PPA. Then the PPA Replacement value increases again in year 9 after the Meridian Way PPA contract expires.

This is what the Commission approved in EA-0219-0010. It did not approve a manipulation of how it met the renewable energy standard to enable Liberty to attach greater value to the wind projects. This validates that the Commission intended the replacement value to reflect an actual shortfall after a PPA expires, not the hypothetical shortfall that Mr. Doll is referencing while the PPAs remain in force.

Q. Did Liberty provide any examples of how the MPPM was to work in the case where the Commission adopted and ordered it?

A. Yes. As I stated above, the Company provided exhibits of the MPPM calculations. Staff witness, Marina Gonzales, in her direct testimony, refers to the exhibits provided in the stipulation.[9] Mr. Doll disagrees with Ms. Gonzales' interpretation of the exhibits and points

[8] Case No. EA-2019-0010, *Non-Unanimous Stipulation and Agreement*, Appendix B, pg. 16. Attached as MMP-S-4.
[9] Staff witness, Maria Gonzales direct testimony, pp. 7, ll. 13-18.

out that Appendix B included a disclaimer that the exhibit was demonstrative.[10] That disclaimer does not explain the zero values for the PPA Replacement value in the example MPPM calculation can be replaced with values while the PPAs were still in effect.

Q. Would you provide the exhibit that shows where the zero values you have discussed appear?

A. Yes. The entire Exhibit C and D from the Non-Unanimous Stipulation and agreement as approved by Commission order are attached to this testimony as Schedule MMP-S-5. Below is a snippet from Exhibit D, which shows the example MPPM calculation, referred to as the Market Protection Provision ("MPP") in the stipulation and agreement. The PPA Replacement values are zero until year 6, the then expiration date of the Elk River PPA contract. The PPA Replacement value in row 15 does not increase again until year 9, the expiration date of the Meridian Way PPA contract. This example was the Company's "expected case example" of the MPP. Other examples in Exhibit D that are shown by the Company are the "high market case example", "low market case example", and "low market case and low wind example". All of these examples have the PPA Replacement value as zero until year 6, in line with the expiration date of the Elk River PPA contract and then an increase in the value in year 9, in line with the expiration of the Meridian Way PPA contract.

Market Protection Provision - Expected Case Example												
Row Number												
3	Changes related to Wind Value			*All numbers utilized, unless specified elsewhere in the STIP, are for example only, actual values will be input into the calculation during the life of the MPP*								
4	P50	Wind Production										
5	Mid	Market Prices										
6												
7	52,500,000	85%	Missouri Portion									
8	61,764,706	million	Guarantee Cap									
9	50%		Sharing percentage									
10												
11												
12			**Years**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
13			SPP Market Revenue	64,471,600	69,448,182	72,576,623	76,390,854	79,237,197	81,804,765	85,422,609	88,921,482	92,717,430	96,947,113
14			Wind Revenue Requirement	79,450,096	73,039,349	75,127,484	73,479,569	73,358,679	82,513,078	80,900,583	79,975,732	78,809,234	76,810,531
15			PPA Replacement Value	0	0	0	0	0	18,798,365	18,463,438	18,378,491	27,815,790	27,110,346
16			**Annual Wind Value (AWV)**	(14,978,496)	(3,591,168)	(2,550,860)	2,911,285	5,878,517	18,090,053	22,985,463	27,324,241	41,723,986	47,246,928
17													
18			Accumulative AWV	(14,978,496)	(18,569,664)	(21,120,524)	(18,209,239)	(12,330,721)	5,759,331	28,744,795	56,069,036	97,793,022	145,039,951

Q. How do you respond to Mr. Doll's claim that you are rewriting the MPPM?

A. I disagree. My position is entirely consistent with the exhibits that the Commission ordered. The exhibits clearly contemplated the PPA Replacement value as a mechanism to capture real replacement needs to meet the RES after the PPA expiration, not the assumed cost while the

[10] Company witness, Aaron Doll rebuttal testimony, pp. 4, ll. 10-12.

PPAs are still delivering renewable energy. It is Mr. Doll's and the Company's revised calculation that is departing from the original framework of the MPPM that was presented through the stipulation and approved by the Commission.

Q. Has Liberty extended its Elk River PPA contract that has an end of 2025 expiration date?

A. Yes. In response to OPC Data Request No. 1250, which asked "Has Liberty's Elk River PPA contract been extended? If so, when was the contract extended? When will the new contract expire?" Liberty stated:

> Yes. The amendment was executed on July 28, 2025. The amendment secures energy and capacity, including all non-energy products from 12/15/2025 through 3/31/2030, with a 1-year additional option to extend, subject to mutual agreement and price negotiation, through 3/31/2031.[11]

Q. How does Liberty's extension of its Elk River PPA contract to March 31, 2030, affect the PPA Replacement Values in the MPPM moving forward?

A. With the Elk River PPA extension, the PPA Replacement values should be zero in the MPPM calculation, at least until the Meridian Way PPA contract expires in 2028. However, it is unknown at this time whether or not the Meridian Way PPA contract will be extended just like the Elk River PPA was, so the PPA Replacement values after 2028 may be appropriate if the Meridian Way PPA contract is not extended.

Q. Aside from your disagreement with Mr. Doll over how to determine the PPA Replacement Values in the MPPM, do you disagree with anything else about how Liberty is calculating annual MPPM amounts?

A. Yes. Liberty is including Transmission Congestion Rights ("TCR") and Auction Revenue Rights ("ARR") revenues, but those revenues are not included in the Appendix C illustrative example of how the MPPM works or anywhere else in the MPPM. In addition, I found no place where the Commission in its Report and Order states that TCR and ARR revenues are to be included in the MPPM calculations.

[11] This response is provided as Schedule MMP-S-2 to this testimony.

Q. What are TCR/ARR revenues?

A. According to the SPP, TCR/ARRs are not part of its Energy Markets but rather a separate market. SPP explains as follows:

> The Southwest Power Pool Transmission Congestion Rights Markets (TCR Markets) provide financial rights that can be used to hedge against the Day-Ahead Market transmission congestion between two settlement locations.
>
> The SPP TCR Markets process uses two forms of rights. First, the TCR is used to distribute the Day-Ahead congestion rents that occur each hour. Second, the Auction Revenue Rights (ARRs) are used for the distribution of the revenue generated in the auctioning and awarding of TCRs. TCRs and ARRs are source-to-sink (point-to-point) instruments that are awarded in 0.1 MW increments.
>
> The SPP TCR Markets process consists of an annual process followed by monthly processes to award Long-Term Congestion Rights (LTCRs) and On-Peak and Off-Peak ARRs and TCRs. The annual ARR and TCR process includes 14 distinct products, one product for each unique combination of On-Peak or Off-Peak Time of Use across the seven different periods that make up the TCR year (June through the following May). Those seven periods are: June, July, August, September, fall, winter and spring. The seasonal products are separated into monthly products before the applicable SPP TCR Markets monthly process.[12]

Q. How does including TCR and ARR revenues affect the MPPM calculation results?

A. The inclusion of the TCR and ARR revenues are intended to compensate Liberty for congestion on the transmission path between the generation and the load. Including these revenues lowers the Annual Wind Value ("AWV"), which means the Annual Sharing Value ("ASV") is lowered. While Public Counsel does not agree with all of the values in Excerpt 1, the following two excerpts illustrate the effect on the AWV and ASV values when the PPA

[12] https://www.spp.org/engineering/tcr-markets/#:~:text=Quick%20Links,SPP%20TCR%20Markets%20monthly%20process.

Replacement and TCR/ARR revenue values are made zero.[13] Excerpt 1 is taken from the Company's filed MPPM year 3; Excerpt 2 shows the impact when the TCR/ARR revenue values in Excerpt 1 are made zero.

Excerpt 1[14]:

Years	1	2	3	4	5	6	7	8	9	10
SPP Market Revenue	$ (61,512,216)	$ (38,970,490)	$ (42,019,692)							
REC Revenue	(4,103,870)	(4,855,466)	(3,828,231)							
TCR/ARR Revenue	(10,944,291)	(5,675,655)	(12,902,353)							
PTC Offset	-	-	-							
Paygo (Over)/Under	1,963,296	(2,481,890)	(487,632)							
PPA Replacement Value	(8,345,691)	(7,776,432)	(6,834,703)							
Wind Revenue Requirement	70,740,556	70,740,556	70,740,556							
Interest @ LTD Rate	(40,285)	35,161	15,408							
Annual Wind Value (AWV)	$ (12,242,501)	$ 11,015,783	$ 4,683,354							
Accumulative AWV	(12,242,501)	(1,226,717)	3,456,636							
Annual Sharing Value (ASV)	(6,121,250)	5,507,892	2,341,677	-	-	-	-	-	-	-
ASV_Sum	(6,121,250)	(613,359)	1,728,318	1,728,318	1,728,318	1,728,318	1,728,318	1,728,318	1,728,318	1,728,318
Year of Assessment										3
ASV_Sum										1,728,318

Excerpt 2[15]:

Years	1	2	3	4	5	6	7	8	9	10
SPP Market Revenue	$ (61,512,216)	$ (38,970,490)	$ (42,019,692)							
REC Revenue	(4,103,870)	(4,855,466)	(3,828,231)							
TCR/ARR Revenue	-	-	-							
PTC Offset	-	-	-							
Paygo (Over)/Under	1,963,296	(2,481,890)	(487,632)							
PPA Replacement Value	-	-	-							
Wind Revenue Requirement	70,740,556	70,740,556	70,740,556							
Interest @ LTD Rate	(40,285)	35,161	15,408							
Annual Wind Value (AWV)	$ 7,047,481	$ 24,467,871	$ 24,420,409							
Accumulative AWV	7,047,481	31,515,352	55,935,761							
Annual Sharing Value (ASV)	3,523,740	12,233,935	12,210,205	-	-	-	-	-	-	-
ASV_Sum	3,523,740	15,757,676	27,967,881	27,967,881	27,967,881	27,967,881	27,967,881	27,967,881	27,967,881	27,967,881
Year of Assessment										3
ASV_Sum										27,967,881

By including the PPA Replacement value as Liberty calculates it and the TCR/ARR revenues that were not designated in the MPPM approved by the Commission, the cumulative cost of the wind projects is $1.7 million. This calculation, as approved by Commission order, shows a cumulative loss for these wind projects of $28 million.

[13] Public Counsel does not agree with all of the values in these excerpts.
[14] Liberty's filed MPPM year 3. Filed in Case No. ER-2021-0312. Attached to my rebuttal testimony in this case as MMP-R-4.
[15] MPPM year 3, with the PPA Replacement value and TCR/ARR Revenue made to go to zero. Attached as MMP-S-5.

Q. Has Liberty made annual MPPM filings?

A. Yes. However, although the Commission ordered that the dispute over what the Commission meant when it ordered the MPPM was to be addressed in this case, Liberty has continued to file its annual MPPM calculation results in Case No. ER-2021-0312, its last general rate case, but not in this case.

Q. Is this a problem?

A. I think it is a problem because the MPPM is a contested issue in this rate case, just as it was in the Company's last rate case The most recent calculation should be part of the official record. By submitting it only as a workpaper, Liberty avoids the transparency and examination that comes with filing a formal exhibit. Therefore, to give the Commission a complete picture of the MPPM as Liberty has calculated it, I have attached to this testimony as Schedule MMP-S-3 the third year MPPM workpaper that OPC received only after it requested it from Liberty after it filed the MPPM in case ER-2021-0312 on July 30, 2025.

Q. What is your recommendation to the Commission regarding the MPPM?

A. I recommend that that the Commission order the PPA Replacement value to be zero until the Elk River and Meridian Way PPAs expire to correctly portray the benefits to customers for the first 10 years of the wind projects. More specifically, I recommend that the Commission order the PPA Replacement value be the difference between the RES requirement and RECs from generation existing before the wind projects,[16] and the PPA Replacement value be based on Missouri wind project RECs needed to satisfy the requirement because the RECs from other generation are insufficient. I also recommend that, to stay true to the Commission's order, the Commission specify that the insurance proceeds from the Neosho Ridge Wind Project outage and TCR/ARR revenues not be included in the MPPM.

Q. Why has your position changed from OPC witness Mantle's recommendation in her rebuttal testimony?

A. It has changed upon advice from my counsel that the calculation of the MPPM should remain as the Commission approved it in case EA-2019-0010. The change in my position to fully support Ms. Mantle's rebuttal position on the MPPM, comes from the realization that

[16] The RECs sold in Liberty's PPA to MJMEUC should be treated as if they were available to meet the Missouri RES.

additional items not ordered by the Commission were included in the MPPM by Liberty. The part of my position that has not change in relation to Ms. Mantle's rebuttal testimony is that the PPA Replacement value should be zero.

More specifically, part of Ms. Mantle's rebuttal position was that for the MPPM to truly be a measure of added costs and benefits, then the insurance payments from the Neosho Ridge transformer failure should be included in the MPPM. However, Ms. Mantle notes in her rebuttal testimony, that if Liberty is following the strict letter of the agreement, the insurance proceeds should not be included in the MPPM.

The same logic would be consistent with including the TCR/ARR revenues in the MPPM, as these are benefits to customers. Nevertheless, in following the calculation approved in EA-2019-0010 and the agreement approved in ER-2021-0312, the additional items, TCR/ARR revenues and insurance payments, should not be included in the MPPM.

TRANSPORTATION ELECTRIFICATION PILOT PROGRAM

Q. Whose testimony are you surrebutting regarding Liberty's Transportation Electrification Pilot Program (TEPP)?

A. Staff witness Amanda Arandia.

Q. Briefly, what is the TEPP?

A. It consists of five programs—Residential Smart Charge Pilot Program, Ready Charge Pilot Program, School bus Pilot Program, Commercial Electrification Pilot Program, and Non-Road Electrification Pilot rebate Program—intended to promote using electricity for transportation.

Q. What is Staff's position on Liberty's TEPP?

A. Staff witness, Amanda Arandia, explains in her rebuttal testimony how Liberty's TEPP program is currently performing, and the concerns that Staff has with the TEPP. Staff recommends the freezing of the Residential EV Charge Pilot Program after the effective date of rates in this case and additional tariff language to be changed, as discussed in Staff witness Sarah LK Lange's direct testimony. Additionally, Staff recommends that the Commission order Liberty to schedule an additional Mid-term Check-In at the halfway point to go over program results and reassess the program.

Q. Do you agree with Staff?

A. I agree that the freezing of the Residential EV Charge Pilot program after the effective date of rates, however, I still recommend that the Commission terminate the TEPP.

Q. Why do you continue to recommend that the TEPP be terminated?

A. The Company's TEPP has had very little adoption to this point, as addressed in Mr. Balashov's direct testimony. The Residential Smart Charge Pilot Program had 39 participants out of 500 spots. The Ready Charge Pilot Program only had 3 site hosts. The School bus Pilot Program only had 1 school enrolled. The Commercial Electrification Pilot Program had no participants. And the Non-Road Electrification Pilot Rebate Program had no expenditures. The participation in the five programs is minimal and it signals that customer demand for the programs is not there. The programs currently are not of interest by customers, as can be seen by the little adoption that has happened to this point. Continuing the pilot programs only add costs without improving the evidence that would be used for future decision making. The Commission's role is to ensure prudent and cost-effective use of ratepayer funds. If the pilot programs cannot meet their objectives due to low demand, it should be paused or terminated until the utility can provide a redesigned approach that can produce better outcomes. Current participation has been insufficient at this time and would not provide representable or actionable results. Continuing or expanding the programs without clear demand by ratepayers, risks wasting funds and resources that could otherwise be focused elsewhere. With little participation, it is better to stop the TEPP now and reevaluate the pilots in order to minimize the future costs to Liberty's ratepayers. I also agree with Staff's recommendation that the Commission order Liberty to schedule an additional Mid-term Check-In to go over the program's results and to reassess the program.

Q. What is your current recommendation to the Commission regarding Liberty's TEPP?

A. I recommend the Commission terminate Liberty's TEPP at this time. As stated above, the pilot programs have had little adoption by Liberty's captive ratepayers. Staff's position of freezing just the Residential EV Charge pilot program is a good step towards protecting ratepayers, however, the entire TEPP should be paused and reassessed.

Q. Does this conclude your surrebuttal testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Request of The Empire District Electric Company d/b/a Liberty for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in Its Missouri Service Area	))))))	Case No. ER-2024-0261

AFFIDAVIT OF MANZELL PAYNE

STATE OF MISSOURI)
) **ss**
COUNTY OF COLE)

Manzell Payne, of lawful age and being first duly sworn, deposes and states:

1. My name is Manzell Payne. I am a Utility Regulatory Auditor for the Office of the Public Counsel.

2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony.

3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

Manzell Payne
Utility Regulatory Auditor

Subscribed and sworn to me this 12th day of September 2025.

TIFFANY HILDEBRAND
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES AUGUST 8, 2027
COLE COUNTY
COMMISSION #15637121

Tiffany Hildebrand
Notary Public

My Commission expires August 8, 2027.