

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of The Empire District	)	
Electric Company d/b/a Liberty (Empire)	)	
For Authority to Implement Rate	)	<u>File No. ER-2026-0089</u>
Adjustments Related to the Company's	)	Tracking: JE-2026-0052
Fuel and Purchase Power Adjustment	)	
(FAC) Required in 20 CSR 4240-20.090(8)	)	

STAFF'S RECOMMENDATION TO APPROVE TARIFF SHEET

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

1. On October 1, 2025, The Empire Electric District Electric Company d/b/a Liberty (hereinafter "Liberty" or "Company") filed one proposed tariff sheet, bearing a proposed effective date of December 1, 2025, to revise its Fuel Adjustment Rates ("FARs") of its Fuel Adjustment Clause ("FAC") for Accumulation Period 34 ("AP34"). The tariff sheet is MO. P.S.C. No. 6, 11th Revised Sheet No. 17q, Cancelling MO. P.S.C. No. 6, 10th Revised Sheet No. 17q. The Commission assigned it Tracking No. JE-2026-0052.

2. Concurrently on October 1, 2025, Liberty submitted a FAC true-up authorization request filing in File No. EO-2026-0090, to identify the true-up amount of (\$1,806,161) for Recovery Period 32 ("RP32"). This over-collection amount is included in Liberty's proposed changes to its current period fuel adjustment rates for AP34 in this case.¹

3. 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,

¹ Line 9 of the tariff schedule.

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.”²

4. 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:

(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[.]

5. In the attached Staff Memorandum, marked as **Appendix A**, Staff recommends that the Commission issue an order approving Liberty’s proposed tariff sheet P.S.C. MO. No. 6, 11th Revised Sheet No. 17q, Cancelling P.S.C. MO. No. 6, 10th Revised Sheet No. 17q, effective December 1, 2025. This sheet revises Liberty’s FARs of its FAC for AP34.

6. Based on a monthly usage of 1,000 kWh per month, the proposed change to the FAR will result in a decrease of the FAC of a typical Liberty residential customer’s bill from \$5.66 to \$0.75, a decrease in the customer’s bill by approximately \$4.91 per month.

7. Except for Liberty’s RP32 true-up filing in File No. EO-2026-0090, Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

² 20 CSR § 4240-20.090(8)(F)

13. The Staff's review shows Liberty's filing is in compliance with Commission Rule 20 CSR § 4240-20.090, § 386.266, RSMo, and Liberty's FAC embodied in its tariff. Staff verified that Liberty is not delinquent on any assessment and filed its 2024 Annual Report. Liberty is current on its submission of its Surveillance Monitoring reports, required by 20 CSR 4240-20.090(6), and its monthly reports, required by 20 CSR 4240- 20.090(5).

WHEREFORE, Staff recommends that the Commission issue an order approving the following proposed tariff sheet, as filed on October 1, 2025, to become effective on December 1, 2025, subject to true-up and prudence review:

MO. P.S.C. No. 6, 11th Revised Sheet No. 17q,
Cancelling MO. P.S.C. No. 6, 10th Revised Sheet No. 17q.

Respectfully Submitted,

/s/ Douglas W. Hennon

Douglas W. Hennon

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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via e-mail on counsel for the parties of record on this 31st day of October, 2025.

/s/ Douglas W. Hennon

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. ER-2026-0089, Tariff Tracking No. JE-2026-0052
The Empire District Electric Company, d/b/a Liberty (Empire)

FROM: Stacy Henderson, Senior Utility Regulatory Auditor

DATE: /s/ Stacy Henderson October 31, 2025
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 31, 2025

Summary and Staff Recommendation

On October 1, 2025, The Empire District Electric Company, d/b/a Liberty (hereinafter “Liberty” or “Company”) filed one (1) proposed tariff sheet, 11th Revised Sheet No. 17q, Canceling 10th Revised Sheet No. 17q, bearing a proposed effective date of December 1, 2025, to revise the Current Period Fuel Adjustment Rates¹ (“FARs”) of its Fuel Adjustment Clause (“FAC”) used to determine the Fuel Adjustment Charge² on customers’ bills. Liberty also filed direct testimony of its witness Monica K. Gloodt on October 1, 2025, 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-2026-0052.

Liberty’s AP34 FARs

Testimony and work papers include information that supports Liberty’s calculation of the dollar amount³ used to calculate the FARs for Accumulation Period 34 (“AP34”). That dollar amount is \$1,618,956 and results from:

¹ The Current Period FARs for service at primary voltage and above and for service at secondary voltage are located on lines 15 and 16, respectively, of proposed 11th Revised Sheet No. 17q.

² The actual line item on the customer’s bill is: Fuel Charge.

³ 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 11th Revised Sheet No. 17q.

1. The amount of \$3,213,510, found on Line 7 of 11th Revised Sheet No. 17q, which is equal to 95% of the difference between: a) Liberty’s Missouri jurisdiction⁴ actual fuel costs plus purchased power costs plus net emissions allowance costs less off-system sales revenue⁵ and less renewable energy credits (“REC”) revenue; and b) Liberty’s Missouri jurisdiction net base energy cost⁶ during AP34; plus
2. The true-up amount of (\$1,806,161)⁷ which is the over-recovery amount of the FARs for Recovery Period 32 (“RP32”), found on Line 9 of 11th Revised Sheet No. 17q; plus
3. The interest for AP34, including over/under cumulative recovery balances from AP32 and AP33, all equal to \$211,608, found on Line 11 of 11th Revised Sheet No. 17q.

The Current Period FAR of \$0.00071 per kWh (Line 14 of 11th Revised Sheet No. 17q) is equal to the FPA Amount of \$1,618,956 divided by the forecasted Missouri net system input (“NSI”) for RP34 of 2,295,533,528 kWh, found on Line 13 of 11th Revised Sheet No. 17q.

Because of a difference in line losses, there are different FARs for service taken at primary and secondary voltage level. When accounting for line losses for the different voltage levels, the proposed FARs are \$0.00074 per kWh for customers receiving service at primary voltage level, and \$0.00075 per kWh for customers receiving service at secondary voltage level. Liberty’s present FARs are \$0.00555 per kWh for customers receiving service at primary voltage level, and \$0.00566 per kWh for customers receiving service at secondary voltage level.⁸

Fuel Adjustment Rates (\$ Per kWh)			
Service Voltage Level	Present	Proposed	Difference
Primary	\$0.00555	\$0.00074	\$0.00481 Decrease
Secondary	\$0.00566	\$0.00075	\$0.00491 Decrease

⁴ For AP34, J is equal to 88.10% as reflected on line 4 of 11th Revised Sheet No. 17q. The 88.10% 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. Line 3 multiplied by line 4 equals \$3,397,361.

⁵ For AP34, this amount is \$26,134,659 as reflected on line 1 of 11th Revised Sheet No. 17q.

⁶ For AP34, this amount is \$22,278,403 as reflected on line 2 of 11th Revised Sheet No. 17q.

⁷ Liberty’s RP32 true-up filing is contained in File No. EO-2026-0090.

⁸ Lines 15 and 16 of 11th Revised Sheet No. 17q.

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 \$5.66 to \$0.75, a decrease in the customer's bill by approximately \$4.91 per month. The accumulation periods, recovery periods, and other specifications of Liberty's existing FAC are set out in its currently effective tariff sheets.

On page 7, lines 5 - 14 of her filed testimony, Company witness Monica K. Gloodt describes the reasons for the decrease in the FAR's rates:

The actual average energy cost eligible for the FAC was \$10.21/MWh. This was roughly 17.31% greater than the average FAC base factor of \$8.70/MWh. The actual energy cost eligible for the FAC was about 40.84% lower than the \$17.25/MWh budgeted level. The general theme for the period was actual natural gas prices were higher than the budget, but this led to higher than budgeted revenue from energy sold into the market from the Company's generating resources. Overall, native load cost was higher than budget on a per unit basis, but this was tempered by strong TCR revenue offset support. Additionally, other than a warm July, most months in the period experienced mild weather. For example, March 2025 was the mildest March in more than a decade, and May 2025 was the third mildest May in the past 30 years.

Staff Review

Staff reviewed Liberty's proposed 11th Revised Sheet No. 17q, Canceling 10th Revised Sheet No. 17q, the direct testimony of Liberty witness Monica K. Gloodt, filed on October 1, 2025, and Liberty's monthly filings and work papers for AP34. 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 11th Revised Sheet No. 17q, Canceling 10th Revised Sheet No. 17q. Staff also reviewed Liberty's monthly interest rates that are applied to the monthly over- and under-recovery amounts for AP34, including cumulative amounts for AP32 and AP33, 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 AP34.

Staff Recommendation

Liberty filed the 11th Revised Sheet No. 17q, Canceling 10th 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 11th Revised Sheet No. 17q, canceling 10th Revised Sheet No. 17q, filed on October 1, 2025, become effective on December 1, 2025. 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, 2025, as requested by Liberty, subject to both true-up and prudence reviews:

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

11th Revised Sheet No. 17q, Canceling 10th 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 AP34.

Staff has verified that Liberty has filed its 2024 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 Empire District Electric)	
Company d/b/a Liberty (Empire) for)	<u>File No. ER-2026-0089</u>
Authority to Implement Rate Adjustments)	<u>Tracking No. JE-2026-0052</u>
Related to the Company's Fuel and)	
Purchase Power Adjustment (FAC))	
Required in 20 CSR 4240-20.090(8))	

AFFIDAVIT OF STACY HENDERSON

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW STACY 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.

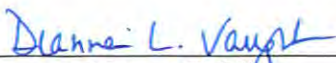


STACY HENDERSON

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 29th day of October 2025.

DIANNA L. VAUGHT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: July 18, 2027 Commission Number: 15207377



Notary Public