

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of The Empire)
District Electric Company for Approval of its) Docket No. 22-EPDE-261-ACA
Annual Energy Cost Adjustment ("ACA") Filing)

APPLICATION

COMES NOW The Empire District Electric Company ("Liberty-Empire") and for its application to the Kansas Corporation Commission ("Commission") for approval of its Annual Energy Cost Adjustment ("ACA") filing, states:

1. Liberty-Empire is a corporation duly organized and existing under the laws of the State of Kansas and is engaged in doing business in said state, and is duly qualified to do and is doing business in the states of Missouri, Arkansas and Oklahoma. Liberty-Empire is a holder of a Certificate from the Commission to conduct the business of an electric utility in Kansas. The Commission approved Liberty-Empire's ECA/ACA tariff in Docket No. 05-EPDE-980-RTS. This Application is being made to obtain approval of Liberty-Empire's ACA factor for the upcoming year.

2. Attached to this Application and incorporated herein by reference as **Appendix A** is the annual calculation of the (over)/under recovery of energy costs for the Energy Cost Adjustment ("ECA") year ending October 31, 2021, the annual calculation of over/(under) refund of the prior year's off system sales margins (Kansas jurisdictional) that flow through the ECA. In addition, the annual forecast of energy costs for the upcoming calendar year 2022 has been attached to this Application as **Appendix B**.

3. The annual calculation of the ACA resulted in an under recovered balance of approximately \$840,789.74 for the ACA period ending October 31, 2021. This balance reflects the elimination of the gains/losses associated with the financial instruments used to hedge the cost of

natural gas and also reflects the elimination of the gains/losses associated with the sale of excess natural gas during the ACA period. These eliminations were agreed to by the Staff of the Commission and Empire in Docket No. 07-EPDE-712-ACA. Liberty-Empire has also excluded all costs attributable to Winter Storm Uri from this filing. It is Liberty-Empire's understanding that its recovery of costs attributable to Winter Storm Uri will be addressed separately in Docket No. 21-EPDE-330-GIE.

4. The total ECA eligible costs for the upcoming ECA year is forecasted to increase significantly as compared to last year's ECA forecast due to the projected increase in the cost of natural gas. In addition, the proposed ACA surcharge is the result of the significant increase in the cost of natural gas experienced during the last ECA year as compared to what had been projected for that year.

5. **Appendix B** to this Application also includes summaries of the monthly energy costs forecast for the upcoming calendar year 2022. In addition to these monthly summaries, Liberty-Empire has forwarded a spreadsheet to the Commission staff ("Staff") that displays the details behind the 2021 energy cost forecast compiled for purposes of the Kansas ECA. The information included in the energy cost forecast is Confidential and Liberty-Empire requests that it be treated as Confidential by the Commission staff pursuant to K.S.A. 66-1220a and K.A.R. 82-1-221a. Liberty-Empire also requests that the Commission issue a Protective Order in this docket. The information is confidential because it is information that has not been disclosed to the public and if disclosed, could place Liberty-Empire at a competitive disadvantage in negotiating future fuel contracts.

6. Included in the information on the spreadsheet forwarded to the Staff will be information such as the following for each supply resource:

- Hours of operation
- Fuel cost in total and by fuel type
- Capacity factor
- Heat rate
- Starts
- MWH of output
- Fuel cost per MWH and MMBtu
- Unit Outage Schedules
- Natural gas price assumptions used in the Kansas ECA for 2022

In general terms, the fuel model used for the 2022 Kansas ECA produced an expected natural gas requirement of about 17.3 million MMBtu. At the time of the fuel run, Liberty-Empire had already secured about * * thousand MMBtu of physical natural gas at fixed prices for use in calendar year 2022. Liberty-Empire has eliminated the impact of the financial instruments that fix the price of natural gas for calendar year 2022 from the Kansas ECA calculation in accordance with the agreement reached in Docket No. 07-EPDE-712-ACA. Using only the physical contracts, Liberty-Empire has already locked in the price associated with approximately * * percent of its expected natural gas requirements for calendar year 2022 for purposes of the Kansas ECA. The ultimate quantities of natural gas purchased are subject to modification if conditions, such as weather, wind or plant outages, cause a significant change in the expected natural gas consumption.

7. Liberty-Empire will file as part of this Application in January 2022, verified testimony which shall discuss in detail why Liberty-Empire believes that the fuel and energy costs that were passed through the Kansas ECA during the 2021 ECA period (which ended October 31, 2021) were reasonable based upon the standards established by the Commission in its Orders issued in Docket No.

106,850-U (75-GIMC-009-GIG) dated March 19, 2002 and September 25, 2002.

WHEREFORE, Liberty-Empire requests that its ACA be approved by the Commission.



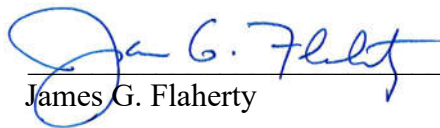
James G. Flaherty, #11177
ANDERSON & BYRD, LLP
216 S. Hickory ~ P.O. Box 17
Ottawa, Kansas 66067
(785) 242-1234, telephone
(785) 242-1279, facsimile
jflaherty@andersonbyrd.com
Attorneys for The Empire District Electric Company

VERIFICATION

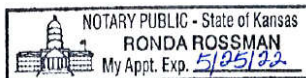
STATE OF KANSAS)
)ss:
COUNTY OF FRANKLIN)

James G. Flaherty, of lawful age, being first duly sworn on oath, states:

That he is the attorney for The Empire District Electric Company, named in the foregoing Application, and is duly authorized to make this affidavit; that he has read the foregoing Application, and knows the contents thereof; and that the facts set forth therein are true and correct to the best of his knowledge, information and belief.


James G. Flaherty

SUBSCRIBED AND SWORN to before me this 27th day of December, 2021.



Notary Public

Appointment/Commission Expires:

APPENDIX A

Empire District Electric Co.
Annual ACA Calculation
For The ECA Year Ending 12/31/2022

Attachment A
Schedule 1

		<u>January-22</u>	<u>February-22</u>	<u>March-22</u>	<u>April-22</u>	<u>May-22</u>	<u>June-22</u>	<u>July-22</u>	<u>August-22</u>	<u>September-22</u>	<u>October-22</u>	<u>November-22</u>	<u>December-22</u>
Fuel	F=	\$ 13,517,601	\$ 10,825,619	\$ 7,629,429	\$ 8,568,493	\$ 5,552,155	\$ 5,140,951	\$ 5,578,521	\$ 5,087,898	\$ 6,189,448	\$ 2,445,454	\$ 1,870,204	\$ 6,035,898
Purchased Power	P=	3,052,067	2,980,792	3,826,478	2,886,798	2,480,257	2,652,017	2,514,422	2,387,719	2,851,630	3,165,324	3,841,144	3,332,410
Interchange	NI=											-	-
Emission Allowance	E=											-	-
Total ECA Eligible Costs		<u>\$ 16,569,668</u>	<u>\$ 13,806,411</u>	<u>\$ 11,455,906</u>	<u>\$ 11,455,291</u>	<u>\$ 8,032,413</u>	<u>\$ 7,792,967</u>	<u>\$ 8,092,943</u>	<u>\$ 7,475,616</u>	<u>\$ 9,041,077</u>	<u>\$ 5,610,778</u>	<u>\$ 5,711,348</u>	<u>\$ 9,368,308</u>
Kansas ECA Billed KWH	S=	24,179,725	20,872,721	18,412,506	15,430,929	16,868,255	20,210,369	23,826,747	22,217,448	18,149,765	16,241,059	18,066,099	22,717,888
Total Company Billed KWH		485,754,894	406,972,190	393,395,852	335,277,951	356,630,520	417,662,440	472,975,093	459,408,388	377,378,812	349,998,306	379,203,618	463,574,267
Kansas Jurisdiction Factor	KF=	4.978%	5.129%	4.680%	4.602%	4.730%	4.839%	5.038%	4.836%	4.809%	4.640%	4.764%	4.901%
Average Cost per KWH Sold-Kansas		3.411	3.393	2.912	3.416	2.252	1.866	1.711	1.627	2.396	1.603	1.506	2.021
Credit for Off-system Sales Profits		-	-	-	-	-	-	-	-	-	-	-	-
Annual Settlement Factor		0.362	0.362	0.362	0.362	0.362	0.362	0.362	0.362	0.362	0.362	0.362	0.362
Total ECA per KWH Sold-Kansas	cents per KWH	3.773	3.755	3.274	3.778	2.614	2.228	2.073	1.989	2.758	1.965	1.868	2.383

Empire District Electric Co.
Annual ACA Calculation
For ECA Year Ending 10/31/2021

Attachment A
Schedule 2

		Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Total
Generation (includes PPA)		\$ 10,833,589.35	\$ 11,408,222.98	\$ 10,858,793.12	\$ 143,285,865.21	\$ 24,748,459.12	\$ 7,826,994.48	\$ 8,042,251.39	\$ 11,459,497.57	\$ 13,506,065.84	\$ 16,526,678.15	\$ 13,015,849.60	\$ 10,691,825.55	\$ 282,204,092.36
Native Load Costs - IM Expense - FERC Netted		\$ (302,605.57)	\$ (525,774.22)	\$ 881,973.53	\$ 159,571,183.19	\$ (85,528.44)	\$ 12,089,610.04	\$ 3,306,529.70	\$ 59,533,924.13	\$ 5,236,678.74	\$ 4,460,443.46	\$ 1,663,518.02	\$ 6,347,605.71	\$ 252,177,558.27
EDE Sales - IM Revenue - FERC Netted		\$ (8,578,348.14)	\$ (1,051,198.94)	\$ (2,802,426.68)	\$ (85,093,559.87)	\$ (120,227.57)	\$ (10,793,438.54)	\$ (1,441,405.02)	\$ (37,773,116.19)	\$ (4,258,637.26)	\$ (3,645,374.02)	\$ (734,621.70)	\$ (2,401,937.87)	\$ (158,694,291.80)
AQCS		\$ 50,893.27	\$ 86,257.42	\$ 102,020.37	\$ 83,786.14	\$ 56,776.87	\$ 30,077.45	\$ 69,332.36	\$ 74,702.98	\$ 80,965.04	\$ 88,602.08	\$ 89,390.54	\$ 52,233.47	\$ 865,037.99
SWPA		\$ (2,566.70)	\$ (2,566.70)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (2,526.81)	\$ (30,401.49)
Emission Allowance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3.20)	\$ -	\$ -	\$ (3.20)
Total ECA Eligible Costs		\$ 2,000,962.21	\$ 9,914,940.54	\$ 9,037,833.52	\$ 217,844,747.86	\$ 24,596,953.18	\$ 9,150,716.62	\$ 9,974,181.62	\$ 33,292,481.68	\$ 14,562,545.55	\$ 17,427,819.66	\$ 14,031,609.65	\$ 14,687,200.05	\$ 376,521,992.13
Kansas Billed KWH		15,723,907	17,813,606	22,567,836	22,562,981	18,422,435	14,741,566	14,129,956	16,354,119	21,800,351	23,108,021	21,863,972	23,043,938	232,132,688
Total Company Billed KWH		340,476,423	375,052,196	470,013,155	467,648,890	411,435,508	324,659,787	312,810,268	360,931,878	439,901,621	471,819,306	456,712,844	374,213,501	4,805,675,377
Kansas Jurisdiction Factor	KF=	4.618%	4.750%	4.802%	4.825%	4.478%	4.541%	4.517%	4.531%	4.956%	4.898%	4.787%	6.158%	4.830%
Kansas Costs Eligible for ECA Recovery		\$ 92,404.43	\$ 470,959.68	\$ 433,996.77	\$ 10,511,009.08	\$ 1,101,451.56	\$ 415,534.04	\$ 450,533.78	\$ 1,508,482.34	\$ 721,719.76	\$ 853,614.61	\$ 671,693.15	\$ 904,437.78	\$ 18,135,836.98
ECA Revenue		\$ 392,311.48	\$ 420,044.83	\$ 474,601.59	\$ 513,984.71	\$ 415,978.58	\$ 364,264.10	\$ 284,718.61	\$ 342,455.25	\$ 604,959.74	\$ 650,028.63	\$ 723,260.19	\$ 876,591.40	6,063,199.11
(Over)/Under Recovery as Reported Monthly		\$ (299,907.05)	\$ 50,914.85	\$ (40,604.82)	\$ 9,997,024.37	\$ 685,472.98	\$ 51,269.94	\$ 165,815.17	\$ 1,166,027.09	\$ 116,760.02	\$ 203,585.98	\$ (51,567.04)	\$ 27,846.38	\$ 12,072,637.87
Prior Period Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments Bi-Lat Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments SWPA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments Derivative		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kansas Share of Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted (Over)/Under Recovery		\$ (299,907.05)	\$ 50,914.85	\$ (40,604.82)	\$ 9,997,024.37	\$ 685,472.98	\$ 51,269.94	\$ 165,815.17	\$ 1,166,027.09	\$ 116,760.02	\$ 203,585.98	\$ (51,567.04)	\$ 27,846.38	\$ 12,072,637.87
Extraordinary Adjusted (Over)/Under Recovery		\$ -	\$ -	\$ -	\$ 9,990,632.14	\$ 656,716.04	\$ 50,772.94	\$ -	\$ 559,413.82	\$ -	\$ -	\$ -	\$ -	\$ 11,257,534.93
Ordinary Adjusted (Over)/Under Recovery		\$ (299,907.05)	\$ 50,914.85	\$ (40,604.82)	\$ 6,392.23	\$ 28,756.94	\$ 497.00	\$ 165,815.17	\$ 606,613.27	\$ 116,760.02	\$ 203,585.98	\$ (51,567.04)	\$ 27,846.38	\$ 815,102.94
Annual Settlement Factor (Over)/Under	ACA=													840,789.74
Off System Profit Factor "D" Over/(Under)	OAV=													-
Total (Over)/Under Recovery Amount For ACA														\$ 840,789.74
New ACA Rate														\$ per KWH 0.00362

Empire District Electric Co.
 ACA Reconciliation
 For ECA Year Ending 10/31/2021

Attachment A
 Schedule 3

		<u>Nov 2020</u>	<u>Dec 2020</u>	<u>Jan 2021</u>	<u>Feb 2021</u>	<u>Mar 2021</u>	<u>Apr 2021</u>	<u>May 2021</u>	<u>Jun 2021</u>	<u>Jul 2021</u>	<u>Aug 2021</u>	<u>Sep 2021</u>	<u>Oct 2021</u>	<u>Total</u>
Ordinary ACA Beginning Balance (Over)/Under		\$ 100,810.47	\$ (181,636.79)	\$ (110,949.98)	\$ (161,168.28)	\$ (165,154.34)	\$ (144,869.54)	\$ (172,945.69)	\$ (13,623.33)	\$ 585,469.85	\$ 692,204.49	\$ 885,163.40	\$ 823,541.06	\$ 100,810.47
Ordinary ACA Recovery/(Refunds)		\$ (17,459.79)	\$ (19,771.96)	\$ 9,613.48	\$ 10,378.29	\$ 8,472.14	\$ 28,573.15	\$ 6,492.81	\$ 7,520.10	\$ 10,025.38	\$ 10,627.07	\$ 10,055.30	\$ 10,597.70	\$ 75,123.67
Ordinary Actual Annual (Over)/Under	ACA=	\$ (299,907.05)	\$ 50,914.85	\$ (40,604.82)	\$ 6,392.23	\$ 28,756.94	\$ 497.00	\$ 165,815.17	\$ 606,613.27	\$ 116,760.02	\$ 203,585.98	\$ (51,567.04)	\$ 27,846.38	\$ 815,102.94
Ordinary Prior Period Adjustments		\$ -												\$ -
Ordinary ACA Ending Balance (Over)/Under		\$ (181,636.79)	\$ (110,949.98)	\$ (161,168.28)	\$ (165,154.34)	\$ (144,869.54)	\$ (172,945.69)	\$ (13,623.33)	\$ 585,469.85	\$ 692,204.49	\$ 885,163.40	\$ 823,541.06	\$ 840,789.74	\$ 840,789.74
Extraordinary ACA Beginning Balance (Over)/Under		\$ -	\$ -	\$ -	\$ -	\$ 9,990,632.14	\$ 10,647,348.18	\$ 10,698,121.12	\$ 10,698,121.12	\$ 11,257,534.93	\$ 11,257,534.93	\$ 11,257,534.93	\$ 11,257,534.93	\$ -
Extraordinary ACA Recovery/(Refunds)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Actual Annual (Over)/Under	ACA=	\$ -	\$ -	\$ -	\$ 9,990,632.14	\$ 656,716.04	\$ 50,772.94	\$ -	\$ 559,413.82	\$ -	\$ -	\$ -	\$ -	\$ 11,257,534.93
Extraordinary ACA Ending Balance (Over)/Under		\$ -	\$ -	\$ -	\$ 9,990,632.14	\$ 10,647,348.18	\$ 10,698,121.12	\$ 10,698,121.12	\$ 11,257,534.93	\$ 11,257,534.93	\$ 11,257,534.93	\$ 11,257,534.93	\$ 11,257,534.93	\$ 11,257,534.93

Deferred fuel only.
 Does not include
 deferred legal costs
 or carrying costs.
 MDW 11/15/2021

APPENDIX B

CONFIDENTIAL