

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. 23-EPDE- \_\_\_\_\_ -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, 2022, the annual calculation of over/(under) refund of the prior years off system sales margins (Kansas jurisdictional) that flow through the ECA. In addition, the annual forecast of energy costs for the upcoming calendar year 2023 has been attached to this Application as **Appendix B**.

3. The annual calculation of the ACA resulted in an under recovered balance of approximately \$255,611 for the ACA period ending October 31, 2022. 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.

4. The total ECA eligible costs for the upcoming ECA year is forecast to decrease by about 48 percent from the preceding year's ECA forecast. The substantial increase seen the previous year was attributed to Winter Storm Uri in February 2021. The proposed ACA surcharge will result in a forecasted decrease in the composite of approximately 69 percent.

5. **Appendix B** to this Application also includes summaries of the monthly energy costs forecast for the upcoming calendar year 2023. In addition to these monthly summaries, Liberty-Empire has forwarded a spreadsheet to the Commission Staff ("Staff") that displays the details behind the 2022 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:

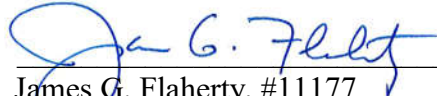
- Hours of operation
- Fuel cost in total and by fuel type

- 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 2023

In general terms, the fuel model used for the 2023 Kansas ECA produced an expected natural gas requirement of about 19.8 million MMBtu. At the time of the fuel run, Liberty-Empire had already secured about \* \* million MMBtu of physical natural gas at fixed prices for use in calendar year 2023. Liberty-Empire has eliminated the impact of the financial instruments that fix the price of natural gas for calendar year 2023 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 2023 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 2023, 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 2022 ECA period (which ended October 31, 2022) 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.



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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 21<sup>st</sup> day of December, 2022.



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=											-	-
<b>Total ECA Eligible Costs</b>		<b>\$ 16,569,668</b>	<b>\$ 13,806,411</b>	<b>\$ 11,455,906</b>	<b>\$ 11,455,291</b>	<b>\$ 8,032,413</b>	<b>\$ 7,792,967</b>	<b>\$ 8,092,943</b>	<b>\$ 7,475,616</b>	<b>\$ 9,041,077</b>	<b>\$ 5,610,778</b>	<b>\$ 5,711,348</b>	<b>\$ 9,368,308</b>
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
<b>Total Company Billed KWH</b>		<b>485,754,894</b>	<b>406,972,190</b>	<b>393,395,852</b>	<b>335,277,951</b>	<b>356,630,520</b>	<b>417,662,440</b>	<b>472,975,093</b>	<b>459,408,388</b>	<b>377,378,812</b>	<b>349,998,306</b>	<b>379,203,618</b>	<b>463,574,267</b>
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		0.111	0.111	0.111	0.111	0.111	0.111	0.111	0.111	0.111	0.111	0.111	0.111
Total ECA per KWH Sold-Kansas	cents per KWH	3.522	3.504	3.023	3.527	2.363	1.977	1.822	1.738	2.507	1.714	1.617	2.132

**Empire District Electric Co.  
Annual ACA Calculation  
For ECA Year Ending 10/31/2022**

**Attachment A  
Schedule 2**

	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Total
Generation (includes PPA)	\$ 13,221,413.94	\$ 15,037,978.06	\$ 19,026,864.90	\$ 14,615,581.75	\$ 13,981,007.42	\$ 14,373,901.18	\$ 19,095,348.47	\$ 22,885,901.51	\$ 28,842,314.25	\$ 31,034,839.09	\$ 21,931,183.02	\$ 14,286,302.07	\$ 228,332,635.68
Native Load Costs - IM Expense - FERC Netted	\$ 2,519,991.92	\$ 2,497,846.94	\$ 4,640,786.72	\$ 762,457.54	\$ (132,668.22)	\$ (262,264.16)	\$ (3,897,785.78)	\$ 6,354,431.93	\$ 5,628,230.20	\$ (3,432,457.36)	\$ (6,859,085.27)	\$ 5,825,220.49	\$ 13,644,704.96
EDE Sales - IM Revenue - FERC Netted	\$ (2,083,155.96)	\$ (14,117,883.15)	\$ (647,967.15)	\$ (908,548.38)	\$ (114,295.77)	\$ (7,328,027.47)	\$ (846,580.68)	\$ (4,923,939.93)	\$ (6,944,573.37)	\$ (3,158,430.63)	\$ (1,671,085.90)	\$ (3,699,501.03)	\$ (46,443,989.42)
AQCS	\$ 84,360.82	\$ 96,035.00	\$ 129,402.33	\$ 110,677.11	\$ 102,805.58	\$ 72,954.06	\$ 105,529.85	\$ 127,646.23	\$ 98,015.33	\$ 126,188.07	\$ 130,414.38	\$ 110,980.91	\$ 1,295,009.67
SWPA	\$ (2,526.81)	\$ (2,526.81)	\$ (1,892.31)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,945.93)
Emission Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6.74)	\$ -	\$ -	\$ -	\$ -	\$ (6.74)
Total ECA Eligible Costs	\$ 13,740,083.92	\$ 3,511,450.04	\$ 23,147,194.50	\$ 14,580,168.02	\$ 13,836,849.01	\$ 6,856,563.61	\$ 14,456,511.86	\$ 24,444,033.00	\$ 27,623,986.41	\$ 24,570,139.17	\$ 13,531,426.23	\$ 16,523,002.44	\$ 196,821,408.22
Kansas Billed KWH	17,335,557	16,818,470	19,771,621	21,582,069	19,813,946	16,686,592	14,355,779	17,789,957	22,987,523	25,208,399	21,305,447	16,742,210	230,397,570
Total Company Billed KWH	323,626,696	354,268,937	414,321,992	445,571,618	406,874,175	362,792,329	324,548,103	387,686,168	471,907,445	521,338,242	438,608,907	353,770,908	4,805,315,520
Kansas Jurisdiction Factor	KF= 5.357%	4.747%	4.772%	4.844%	4.870%	4.599%	4.423%	4.589%	4.871%	4.835%	4.858%	4.733%	4.795%
Kansas Costs Eligible for ECA Recovery	\$ 736,056.30	\$ 166,688.53	\$ 1,104,584.12	\$ 706,263.34	\$ 673,854.55	\$ 315,333.36	\$ 639,411.52	\$ 1,121,736.67	\$ 1,345,564.38	\$ 1,187,966.23	\$ 657,356.69	\$ 782,033.71	\$ 9,436,849.40
ECA Revenue	\$ 578,834.25	\$ 664,161.38	\$ 674,409.99	\$ 732,279.60	\$ 705,772.76	\$ 634,591.09	\$ 380,284.59	\$ 470,010.66	\$ 1,093,286.59	\$ 1,428,307.89	\$ 1,562,115.37	\$ 856,196.62	\$ 9,780,250.79
(Over)/Under Recovery as Reported Monthly	\$ 157,222.05	\$ (497,472.85)	\$ 430,174.13	\$ (26,016.26)	\$ (31,918.21)	\$ (319,257.73)	\$ 259,126.93	\$ 651,726.01	\$ 252,277.79	\$ (240,341.66)	\$ (904,758.68)	\$ (74,162.91)	\$ (343,401.39)
Prior Period Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments Bi-Lat Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments SWPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments Derivative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kansas Share of Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted (Over)/Under Recovery	\$ 157,222.05	\$ (497,472.85)	\$ 430,174.13	\$ (26,016.26)	\$ (31,918.21)	\$ (319,257.73)	\$ 259,126.93	\$ 651,726.01	\$ 252,277.79	\$ (240,341.66)	\$ (904,758.68)	\$ (74,162.91)	\$ (343,401.39)
Extraordinary Adjusted (Over)/Under Recovery	\$ -	\$ (484,091.34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (484,091.34)
Ordinary Adjusted (Over)/Under Recovery	\$ 157,222.05	\$ (13,381.51)	\$ 430,174.13	\$ (26,016.26)	\$ (31,918.21)	\$ (319,257.73)	\$ 259,126.93	\$ 651,726.01	\$ 252,277.79	\$ (240,341.66)	\$ (904,758.68)	\$ (74,162.91)	\$ 140,689.95
Annual Settlement Factor (Over)/Under	ACA=												255,610.66
Off System Profit Factor "D" Over/(Under)	OAV=												-
<b>Total (Over)/Under Recovery Amount For ACA</b>													<b>\$ 255,610.66</b>
<b>New ACA Rate</b>											\$ per KWH		<b>\$ 0.00111</b>

**Empire District Electric Co.  
ACA Reconciliation  
For ECA Year Ending 10/31/2022**

**Attachment A  
Schedule 3**

	<u>Nov 2021</u>	<u>Dec 2021</u>	<u>Jan 2022</u>	<u>Feb 2022</u>	<u>Mar 2022</u>	<u>Apr 2022</u>	<u>May 2022</u>	<u>Jun 2022</u>	<u>Jul 2022</u>	<u>Aug 2022</u>	<u>Sep 2022</u>	<u>Oct 2022</u>	<u>Total</u>
Ordinary ACA Beginning Balance (Over)/Under	\$ 840,789.74	\$ 990,039.44	\$ 968,922.20	\$ 1,327,526.20	\$ 1,223,384.43	\$ 1,119,742.87	\$ 740,094.75	\$ 947,291.47	\$ 1,534,651.03	\$ 1,703,748.38	\$ 1,372,192.49	\$ 390,314.90	\$ 840,789.74
Ordinary ACA Recovery/(Refunds)	\$ 7,972.35	\$ 7,735.73	\$ 71,570.13	\$ 78,125.51	\$ 71,723.35	\$ 60,390.39	\$ 51,930.21	\$ 64,366.45	\$ 83,180.44	\$ 91,214.23	\$ 77,118.91	\$ 60,541.33	\$ 725,869.03
Ordinary Actual Annual (Over)/Under	ACA= \$ 157,222.05	\$ (13,381.51)	\$ 430,174.13	\$ (26,016.26)	\$ (31,918.21)	\$ (319,257.73)	\$ 259,126.93	\$ 651,726.01	\$ 252,277.79	\$ (240,341.66)	\$ (904,758.68)	\$ (74,162.91)	\$ 140,689.95
Ordinary Prior Period Adjustments	\$ -												\$ -
Ordinary ACA Ending Balance (Over)/Under	\$ 990,039.44	\$ 968,922.20	\$ 1,327,526.20	\$ 1,223,384.43	\$ 1,119,742.87	\$ 740,094.75	\$ 947,291.47	\$ 1,534,651.03	\$ 1,703,748.38	\$ 1,372,192.49	\$ 390,314.90	\$ 255,610.66	\$ 255,610.66
Extraordinary ACA Beginning Balance (Over)/Under	#####	#####	#####	\$ 10,773,443.59	#####	#####	#####	#####	#####	#####	#####	#####	\$ 11,257,534.93
Extraordinary ACA Recovery/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extraordinary Actual Annual (Over)/Under	ACA= \$ -	\$ (484,091.34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (484,091.34)
Extraordinary ACA Ending Balance (Over)/Under	#####	#####	#####	\$ 10,773,443.59	#####	#####	#####	#####	#####	#####	#####	#####	\$ 10,773,443.59



# APPENDIX B

CONFIDENTIAL