

BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

In the Matter of the Application of The Empire )  
District Electric Company, d/b/a Liberty, for a )  
One-Year Waiver of that Portion of Liberty's ) Docket No. 24-EPDE- 795 -TAR  
ATRR Tariff that Requires Class Allocators Be )  
Reset Every Five Years )

**APPLICATION FOR WAIVER OF A PORTION OF LIBERTY'S ATRR TARIFF**

The Empire District Electric Company, d/b/a Liberty ("Liberty" or "Company"), files this application for a one-year waiver of the section of Liberty's Transmission Delivery Charge ("TDC") rate tariff ("ATRR Tariff") that requires that the class demand allocators, class normalized billing demands and class normalized energy (collectively, "class allocators") be reset at a minimum once every five years. In support of its request for a one-year waiver, Liberty states as follows:

1. Liberty 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 has heretofore duly qualified to do and is doing business in the states of Missouri, Arkansas and Oklahoma. Liberty owns and operates an electric utility system located in the contiguous portions of the states of Kansas, Missouri, Oklahoma and Arkansas with its executive offices located at 602 S. Joplin Street, Joplin, Missouri 64801. The Company is the holder of a certificate from the state of Kansas confirming its right to conduct the business of an electric utility per K.S.A. 66-101, *et seq.*, and by reason thereof has the duty and responsibility to provide and maintain efficient and sufficient service to its customers. Liberty serves approximately 186,000 electric customers in the above-mentioned states and approximately 10,000 of those electric customers are located in Kansas.

2. K.S.A. 66-1237 allows electric utilities to recover transmission-related costs resulting from any order of a regulatory authority having jurisdiction over transmission matters, including

orders setting rates on a subject-to-refund basis, through a TDC rate tariff.<sup>1</sup> Liberty's TDC rate tariff, referred to as its Annual Transmission Revenue Requirement ("ATRR") tariff, was first approved by the Kansas Corporation Commission ("Commission") in Liberty's last general rate case, Docket No. 19-EPDE-223-RTS ("19-223 Docket") on August 1, 2019.<sup>2</sup>

3. Per Liberty's tariff, the ATRR is collected by applying a TDC rate, developed for each rate schedule permitting such cost recovery, to each applicable customer's bill. The allocation of the ATRR to the respective rate schedules is based on a 12-month coincident-peak ("12-CP") allocation methodology, similar to the methodology used by the Southwest Power Pool ("SPP") to assess transmission charges.<sup>3</sup> The class allocators included in Liberty's TDC tariff are currently based on a class allocation study using a 12-month test year ending on June 30, 2018, which was approved by the Commission to set base rates in Liberty's last general rate case in the 19-223 Docket.<sup>4</sup> Per the ATRR tariff, those class allocators remain unchanged until Liberty's next general rate case or, at a minimum, once every five years, to limit cost shifting among retail classes. The current five-year period is set to expire on August 1, 2024.<sup>5</sup>

4. Liberty plans to make its annual TDC filing in June 2024, with an effective date for the new ATRR tariff being August 1, 2024. Liberty has had conversations with the Commission Staff regarding the use of the current class allocators in the June 2024 filing to avoid the cost of having to

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<sup>1</sup>K.S.A. 66-1237.

<sup>2</sup>Order Approving Unanimous Settlement Agreement with Modifications dated July 30, 2019, 19-233 Docket, page 4.

<sup>3</sup>Revised TDC Compliance Tariff in Support of Commission's Order filed August 1, 2019, 19-233 Docket.

<sup>4</sup>*Id.*

<sup>5</sup>*Id.* Schedule TDC, Sheet 5 of 6.

conduct a new class allocation study outside of a general rate case filing. The cost of the class allocation study conducted in the 19-223 Docket was over \$80,000.00.<sup>6</sup> This cost is significant given the fact that Liberty has less than 10,000 Kansas retail customers. In addition, Liberty currently plans to file its next general rate case in Kansas in early 2025. That rate case will include a new class allocation study. This means that new class allocators will be available for Liberty's next TDC filing, and thus this request is limited to a one-year waiver of the five-year threshold. More importantly, filing the new class allocation study in a general rate case, instead of in a TDC filing, where the review would be much more limited given the time constraints in a TDC filing as compared to in a general rate case, will be more efficient from not only a cost perspective, but also from a review perspective.<sup>7</sup> It will allow the Commission Staff, the Citizens' Utility Ratepayer Board ("CURB") and other intervenors more time to examine, review and issue discovery relating to Liberty's new class allocation study. It will also allow them to conduct their own class allocation studies and submit those for Commission review and consideration. It will allow the Commission more time, and in the context of a full general rate case setting, to make its determination on new class allocators to set both base rates and ATRR rates in future Liberty TDC filings.

5. The Commission Staff has indicated to Liberty that it does not object to Liberty's request for a one-year waiver of its ATRR tariff provision to allow Liberty to use the current class allocators in its upcoming 2024 TDC filing.

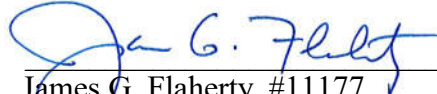
WHEREFORE, for the reasons set forth herein, Liberty requests that its application for a

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<sup>6</sup>The Empire District Electric Company Rate Case Expense filed June 18, 2019, 19-223 Docket.

<sup>7</sup>In a TDC filing, the Commission has 30 business days in which to issue an order acknowledging receipt of the filing. K.S.A. 66-1237(c). In a rate case, the Commission will have up to 240 days in which to issue an order. K.S.A. 66-117(c).

one-year waiver of that portion of its ATRR Tariff that requires that the class demand allocators, class normalized billing demands and class normalized energy be reset at a minimum once every five years, be granted so it can use the current class allocators in its upcoming 2024 TDC filing.



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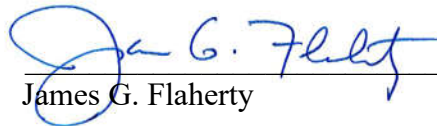
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**VERIFICATION**

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being duly sworn upon oath, deposes and says that he is attorney for the within named applicant, that he has read the above and foregoing Application for Waiver of a Portion of Liberty's ATRR Tariff, and the statements contained therein are true.

  
James G. Flaherty

SUBSCRIBED AND SWORN to before me the 3<sup>rd</sup> day of June, 2024.



Notary Public

Appointment/Commission Expires: