

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. 24-EPDE- 471 -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, 2023, 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 2024 has been attached to this Application as Appendix B.

3. The annual calculation of the ACA resulted in an over recovered balance of

approximately \$920,705 for the ACA period ending October 31, 2023. 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. In the first half of 2021, Liberty-Empire acquired three wind generation facilities – North Fork Ridge and Kings Point located in southwest Missouri and Neosho Ridge located in southeast Kansas. These facilities have been excluded from the 2024 Kansas ECA/ACA calculation of rates to comply with the Motion to Withdraw its Request to Recover Acquisition and Operating Costs of Wind Projects in Rates filed in Docket No. 21-EPDE-444-RTS.

5. The total ECA eligible costs for the upcoming ECA year is forecast to decrease by about 24 percent from the preceding year's ECA forecast. The total ACA costs for the current ECA year will decrease by 468 percent from the prior year. The proposed ACA surcharge will result in a forecasted decrease in the composite of approximately 36 percent.

6. Appendix B to this Application also includes summaries of the monthly energy costs forecast for the upcoming calendar year 2024. In addition to these monthly summaries, Liberty-Empire will provide a spreadsheet to the Commission staff ("Staff") that displays the details behind the 2023 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.

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

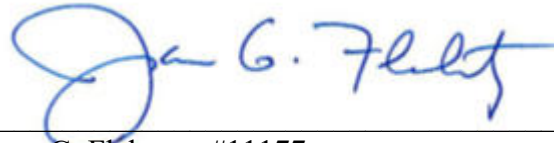
- Hours of operation
- Fuel cost in total and by fuel type
- Capacity factor
- Heat rate
- Starts
- MWH of output
- Fuel cost per MWH and MMBtu
- Unit Outage Schedules
- Natural gas price assumptions used in the Kansas ECA for 2024

In general terms, the fuel model used for the 2024 Kansas ECA produced an expected natural gas requirement of about 26.4 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 2024. Liberty-Empire has eliminated the impact of the financial instruments that fix the price of natural gas for calendar year 2024 from the Kansas ECA calculation in accordance with the agreement reached in Docket No. 07-EPDE-712-ACA. Additionally, the impact of the three new wind farms mentioned above have been excluded from the calculation in accordance with the Motion to Withdraw its Request to Recover Acquisition and Operating Costs of Wind Projects in Rates from Docket No. 21-EPDE-444-RTS. 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 2024 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.

8. Liberty-Empire will file as part of this Application in January 2024, 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 2023 ECA period (which ended October 31, 2023) 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](mailto: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*

James G. Flaherty

SUBSCRIBED AND SWORN to before me this (insert date).

*Amy J. Martz*

Notary Public

Appointment/Commission Expires:



# APPENDIX A

**Empire District Electric Co.  
Annual ACA Calculation  
For The ECA Year Ending 12/31/2024**

**Attachment A  
Schedule 1**

		<u>January-24</u>	<u>February-24</u>	<u>March-24</u>	<u>April-24</u>	<u>May-24</u>	<u>June-24</u>	<u>July-24</u>	<u>August-24</u>	<u>September-24</u>	<u>October-24</u>	<u>November-24</u>	<u>December-24</u>
Fuel	F=	\$ 14,384,084	\$ 12,824,916	\$ 8,114,668	\$ 6,574,961	\$ 5,829,011	\$ 9,887,809	\$ 13,194,444	\$ 11,964,737	\$ 7,870,402	\$ 7,023,619	\$ 7,895,570	\$ 12,096,358
Purchased Power	P=	3,226,745	3,369,394	3,581,369	3,635,140	3,300,862	3,250,659	2,654,861	2,324,459	3,311,623	3,193,605	3,562,542	3,071,754
Interchange	NI=												
Emission Allowance	E=												
<b>Total ECA Eligible Costs</b>		<b>\$ 17,610,829</b>	<b>\$ 16,194,310</b>	<b>\$ 11,696,037</b>	<b>\$ 10,210,101</b>	<b>\$ 9,129,874</b>	<b>\$ 13,138,468</b>	<b>\$ 15,849,305</b>	<b>\$ 14,289,196</b>	<b>\$ 11,182,025</b>	<b>\$ 10,217,224</b>	<b>\$ 11,458,112</b>	<b>\$ 15,168,111</b>
Kansas ECA Billed KWH	S=	23,840,091	21,295,991	18,289,668	15,093,922	16,467,121	20,048,636	24,269,058	22,891,123	19,038,915	16,802,326	27,484,267	21,383,881
<b>Total Company Billed KWH</b>		<b>484,309,742</b>	<b>423,748,361</b>	<b>388,442,382</b>	<b>332,245,971</b>	<b>353,174,313</b>	<b>422,116,200</b>	<b>481,829,363</b>	<b>470,320,171</b>	<b>384,359,023</b>	<b>347,181,119</b>	<b>373,029,992</b>	<b>461,466,121</b>
Kansas Jurisdiction Factor	KF=	4.922%	5.026%	4.708%	4.543%	4.663%	4.750%	5.037%	4.867%	4.953%	4.840%	7.368%	4.634%
Average Cost per KWH Sold-Kansas		3.636	3.822	3.011	3.073	2.585	3.113	3.289	3.038	2.909	2.943	3.072	3.287
Credit for Off-system Sales Profits		-	-	-	-	-	-	-	-	-	-	-	-
Annual Settlement Factor		(0.409)	(0.409)	(0.409)	(0.409)	(0.409)	(0.409)	(0.409)	(0.409)	(0.409)	(0.409)	(0.409)	(0.409)
<b>Total ECA per KWH Sold-Kansas</b>	<b>cents per KWH</b>	<b>3.227</b>	<b>3.413</b>	<b>2.602</b>	<b>2.664</b>	<b>2.176</b>	<b>2.704</b>	<b>2.880</b>	<b>2.629</b>	<b>2.500</b>	<b>2.534</b>	<b>2.663</b>	<b>2.878</b>

**Empire District Electric Co.  
Annual ACA Calculation  
For ECA Year Ending 10/31/2023**

**Attachment A  
Schedule 2**

	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Total
Generation (includes PPA)	\$ 17,880,305.77	\$ 21,122,911.04	\$ 19,997,816.37	\$ 14,627,108.89	\$ 10,384,945.70	\$ 8,463,325.82	\$ 9,717,512.56	\$ 8,820,154.52	\$ 13,702,435.97	\$ 15,096,811.26	\$ 10,702,925.44	\$ 9,412,462.44	\$ 159,928,715.78
Native Load Costs - IM Expense - FERC Netted	\$ (2,161,422.87)	\$ 3,816,128.03	\$ 2,712,794.48	\$ 542,578.32	\$ 767,962.23	\$ 1,521,863.40	\$ (3,974,385.62)	\$ 3,595,522.67	\$ 4,759,511.38	\$ (923,323.54)	\$ 1,194,269.00	\$ 1,602,576.99	\$ 13,454,074.47
EDE Sales - IM Revenue - FERC Netted	\$ (6,254,886.29)	\$ 2,300,481.59	\$ (2,596,547.96)	\$ (2,326,268.24)	\$ (1,424,117.79)	\$ (2,939,071.95)	\$ (683,922.82)	\$ (2,102,862.63)	\$ (4,287,933.85)	\$ (1,095,971.83)	\$ (2,038,140.26)	\$ (2,028,043.96)	\$ (25,477,285.99)
AQCS	\$ 94,721.71	\$ 98,273.19	\$ 178,636.15	\$ 36,632.29	\$ 120,932.92	\$ 16,594.41	\$ 104,125.52	\$ 125,187.07	\$ 115,794.13	\$ 101,290.43	\$ 69,937.72	\$ 68,650.09	\$ 1,130,775.63
SWPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Emission Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6.12)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6.12)
Total ECA Eligible Costs	\$ 9,558,718.32	\$ 27,337,793.85	\$ 20,292,699.04	\$ 12,880,051.26	\$ 9,849,723.06	\$ 7,062,705.56	\$ 5,163,329.64	\$ 10,438,001.63	\$ 14,289,807.63	\$ 13,178,806.32	\$ 9,928,991.90	\$ 9,055,645.56	\$ 149,036,273.77
Kansas Billed KWH	14,384,583	18,435,263	22,409,686	19,605,027	16,629,338	16,820,640	14,149,741	18,130,656	20,829,956	23,008,335	23,315,030	17,263,393	224,981,647
Total Company Billed KWH	321,871,134	397,324,317	478,137,351	416,086,418	364,319,243	366,381,242	311,685,030	384,177,343	438,433,799	468,390,761	483,488,506	369,206,611	4,799,501,755
Kansas Jurisdiction Factor	KF= 4.469%	4.640%	4.687%	4.712%	4.564%	4.591%	4.540%	4.719%	4.751%	4.912%	4.822%	4.676%	4.688%
Kansas Costs Eligible for ECA Recovery	\$ 427,179.12	\$ 1,268,473.63	\$ 951,118.80	\$ 606,908.02	\$ 449,541.36	\$ 324,248.81	\$ 234,415.17	\$ 492,569.30	\$ 678,908.76	\$ 647,342.97	\$ 478,775.99	\$ 423,441.99	\$ 6,982,923.92
ECA Revenue	\$ 594,802.51	\$ 710,310.68	\$ 1,154,771.12	\$ 1,037,498.03	\$ 796,046.41	\$ 700,916.07	\$ 329,122.98	\$ 349,377.73	\$ 674,682.28	\$ 540,235.71	\$ 548,835.80	\$ 390,670.58	\$ 7,827,269.90
(Over)/Under Recovery as Reported Monthly	\$ (167,623.39)	\$ 558,162.95	\$ (203,652.32)	\$ (430,590.01)	\$ (346,505.05)	\$ (376,667.26)	\$ (94,707.81)	\$ 143,191.57	\$ 4,226.48	\$ 107,107.26	\$ (70,059.81)	\$ 32,771.41	\$ (844,345.98)
Prior Period Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments Bi-Lat Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments SWPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments Derivative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kansas Share of Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted (Over)/Under Recovery	\$ (167,623.39)	\$ 558,162.95	\$ (203,652.32)	\$ (430,590.01)	\$ (346,505.05)	\$ (376,667.26)	\$ (94,707.81)	\$ 143,191.57	\$ 4,226.48	\$ 107,107.26	\$ (70,059.81)	\$ 32,771.41	\$ (844,345.98)
Extraordinary Adjusted (Over)/Under Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ordinary Adjusted (Over)/Under Recovery	\$ (167,623.39)	\$ 558,162.95	\$ (203,652.32)	\$ (430,590.01)	\$ (346,505.05)	\$ (376,667.26)	\$ (94,707.81)	\$ 143,191.57	\$ 4,226.48	\$ 107,107.26	\$ (70,059.81)	\$ 32,771.41	\$ (844,345.98)
Annual Settlement Factor (Over)/Under	ACA=												(920,705.33)
Off System Profit Factor "D" Over/(Under)	OAV=												-
<b>Total (Over)/Under Recovery Amount For ACA</b>													<b>(920,705.33)</b>
<b>New ACA Rate</b>												\$ per KWH	<b>(0.00409)</b>





# APPENDIX B

CONFIDENTIAL