BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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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 ATRR Tariff that Requires Class Allocators Be Reset Every Five Years

Docket No. 24-EPDE-795-TAR

APPLICATION FOR SECOND WAIVER OF <u>A PORTION OF LIBERTY'S ATRR TARIFF</u>

The Empire District Electric Company, d/b/a Liberty ("Liberty" or "Company"), files this application for an additional 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 an additional 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.¹ 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, 2019.²

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.³ 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.⁴ 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 expired on August 1, 2024.⁵

4. The Commission granted Liberty a one-year waiver of the section of Liberty's

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

 $^{4}Id.$

¹K.S.A. 66-1237

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

⁵*Id.* Schedule TDC, Sheet 5 of 6.

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 by Order dated January 28, 2025. Liberty currently plans to file its next general rate case in Kansas in late 2025, and therefore, is requesting an additional one-year waiver. That rate case will include a new class allocation study.

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

WHEREFORE, for the reasons set forth herein, Liberty requests that its application for an additional 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 TDC filing.

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Attorneys for The Empire District Electric Company

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 16th day of May, 2025.



Ronda Rossman-Notary Public

Appointment/Commission Expires:

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via U.S. Mail, postage prepaid, hand-delivery, or electronic mail, this 16th day of May, 2025, addressed to:

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