BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

In the Matter of the Investigation into The)	
Empire District Electric Company d/b/a)	
Liberty Regarding the February 2021 Winter)	Docket No. 21-EPDE-330-GIE
Weather Events, as Contemplated by Docket)	
No. 21-GIMX-303-MIS)	

PLAN TO MITIGATE FINANCIAL EFFECTS OF COLD WEATHER EVENT AND APPLICATION FOR ADDITIONAL TARIFF PROVISIONS

Pursuant to the Commission's order initiating this Docket on March 9, 2021 ("Order"), The Empire District Electric Company ("Liberty" or "Applicant") submits its Plan to Mitigate the Financial Effects of the Cold Weather Event ("Plan") and in order to implement its Plan also applies for an additional Tariff in the state of Kansas. By its Application, Applicant is requesting the Kansas Corporation Commission ("Commission") approve the additional tariff in order to minimize the financial impact on customers of recovery of extraordinary fuel costs incurred during the extreme February 2021 weather event ("Winter Storm Uri"). In support of its Plan and Application, Liberty states the following:

I. <u>INTRODUCTION</u>

1. Liberty's principal place of business is located in Missouri at 602 S Joplin Ave, Joplin, MO 64801. Liberty is authorized to transact business in the State of Kansas, holds appropriate certificates from the Commission to transact business as an electric public utility and is engaged in the purchase, transmission, sale and distribution of electricity in the State of Kansas in accordance with the laws of said state and the rules and regulations of the Commission. As of September 30, 2022, Liberty served approximately 8,260 residential customers, 1,291 commercial customers, 43 industrial customers, 70 public authority and street highway customers, and no resale customers in the state of Kansas.

2. The names, addresses and phone numbers of the persons authorized to receive notices and communications with respect to this Application on behalf of Liberty are as follows:

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II. PLAN TO MINIMIZE FINANCIAL EFFECTS OF COLD WEATHER EVENT

- 3. As further explained in the Direct Testimony of Geoffrey M. Rush, during and as a result of the Winter Storm Uri Liberty incurred approximately \$10,773,444 in extraordinary fuel costs ("Extraordinary Gas Costs") in the state of Kansas. As explained in the Direct Testimony of Aaron J. Doll, the extraordinary fuel costs were prudently incurred. Pursuant to the Commission's Emergency Order in Docket No. 21-GIMX-303-MIS, the extraordinary fuel costs have been deferred to a regulatory asset account with actual and projected carrying costs; carrying costs are calculated using the most recent weighted average cost of capital ("WACC") approved in a Liberty Kansas rate case.
- 4. Liberty typically recovers its fuel costs from its customers with no mark-up through the Energy Cost Adjustment (ECA) Mechanism. Under the ECA, changes in fuel costs are typically

filed on a monthly basis. The cost of fuel billed to customers also includes an annual actual cost

adjustment ("ACA") factor, which includes any over or under recovered fuel costs.

5. If the approximately \$10,773,444 in extraordinary fuel costs were to be recovered as

part of the annual ACA adjustment it would result in a monthly bill increase of \$59.27 for an average

residential customer using 1,000 KWH per month.

6. In order to mitigate the financial impact on customers, Liberty requests the

Commission's approval to recover its extraordinary fuel costs over a period of thirteen years with

carrying costs at Liberty's WACC, currently 8.8107%, beginning May 1, 2023. This would result

in an average monthly bill increase of \$7.32, or 6.33%, for an average residential customer using

1,000 KWH per month. Charges for recovery of the extraordinary fuel costs would appear as a

separate line item on customer bills. This Plan is described in more detail in the Direct Testimony

of Geoffrey M. Rush.

III. APPLICATION FOR LIMITED WAIVER

7. For the sole purpose of recovering its extraordinary fuel costs and associated carrying

costs through its Plan, Liberty requests an additional tariff as described in the testimony of Mr. Rush

which requests that the Commission issue an order approving its Plan to Mitigate the Financial

effects of Winter Storm Uri.

Respectfully submitted,

/s/ James G. Flaherty

James G. Flaherty, #11177

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ATTORNEYS FOR THE EMPIRE DISTRICT ELECTRIC COMPANY d/b/a LIBERTY

VERIFICATION

STATE OF KANSAS, COUNTY OF FRANKLIN, ss:

James G. Flaherty, of lawful age, being first duly sworn on oath, deposes and says he is attorney for The Empire District Electric Company above named; that he has read the above and foregoing Abbreviated Rate Case Application; and the statements contained therein are true.

SUBSCRIBED AND SWORN to before me this 23rd day of November, 2022.

Notary Public

Appointment/Commission Expires: March 23, 2026

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing was sent via electronic mail, this 23rd day of November, 2022, addressed to:

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/s/ James G. Flaherty
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