

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. 21-EPDE- 198 -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, 2020, the annual calculation of over/(under) refund of the prior year's off system sales margins (Kansas jurisdictional) that flow through the ECA. In addition, the annual forecast of energy costs for the upcoming calendar year 2021 has been attached to this Application as Appendix B.

3. The annual calculation of the ACA resulted in an under recovered balance of approximately \$100,810.47 for the ACA period ending October 31, 2020. 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 approximately 7.8 percent from the preceding year's ECA forecast. The proposed ACA surcharge will result in a forecasted decrease in the composite cost by approximately 2 percent.

5. Appendix B to this Application also includes summaries of the monthly energy costs forecast for the upcoming calendar year 2021. In addition to these monthly summaries, Liberty-Empire has forwarded a spreadsheet to the Commission staff ("Staff") that displays the details behind the 2021 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:

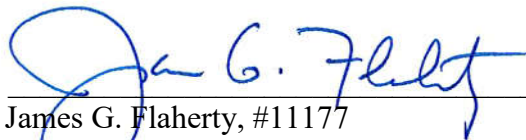
- Hours of operation
- Fuel cost in total and by fuel type
- Capacity factor
- Heat rate

- Starts
- MWH of output
- Fuel cost per MWH and MMBtu
- Unit Outage Schedules
- Natural gas price assumptions used in the Kansas ECA for 2021

In general terms, the fuel model used for the 2021 Kansas ECA produced an expected natural gas requirement of about 22.1 million MMBtu. At the time of the fuel run, Liberty-Empire had already secured about \*\_\_\* thousand MMBtu of physical natural gas at fixed prices for use in calendar year 2021. Liberty-Empire has eliminated the impact of the financial instruments that fix the price of natural gas for calendar year 2021 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 2021 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.

6. Liberty-Empire will file as part of this Application in January, 2021, 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 2020 ECA period (which ended October 31, 2020) 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.



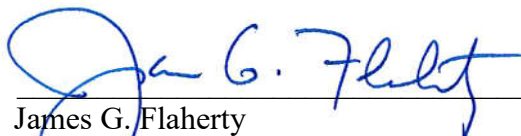
James G. Flaherty, #11177  
**ANDERSON & BYRD, LLP**  
216 S. Hickory, P. O. Box 17  
Ottawa, Kansas 66067  
(785) 242-1234, telephone  
(785) 242-1279, facsimile  
[jflaherty@andersonbyrd.com](mailto:jflaherty@andersonbyrd.com)  
Attorneys for The Empire District Electric Company

**VERIFICATION**

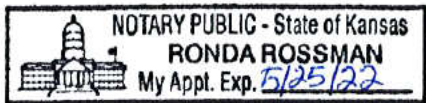
STATE OF KANSAS            )  
  ) ss:  
COUNTY OF FRANKLIN    )

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

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of December, 2020.



  
Notary Public

Appointment/Commission Expires:

# APPENDIX A

**Empire District Electric Co.  
Annual ACA Calculation  
For The ECA Year Ending 12/31/2021**

**Attachment A  
Schedule 1**

		<u>January-21</u>	<u>February-21</u>	<u>March-21</u>	<u>April-21</u>	<u>May-21</u>	<u>June-21</u>	<u>July-21</u>	<u>August-21</u>	<u>September-21</u>	<u>October-21</u>	<u>November-21</u>	<u>December-21</u>
Fuel	F=	\$ 6,869,939	\$ 5,940,364	\$ 5,779,624	\$ 5,739,273	\$ 4,492,471	\$ 5,721,627	\$ 7,568,897	\$ 7,315,008	\$ 5,765,476	\$ 5,687,433	\$ 3,972,135	\$ 7,464,536
Purchased Power	P=	3,222,479	3,222,628	3,006,444	2,457,412	2,587,905	2,935,320	2,822,363	2,471,298	3,138,452	2,987,751	3,183,128	3,191,070
Interchange	NI=											-	-
Emission Allowance	E=											-	-
Total ECA Eligible Costs		<u>\$ 10,092,417</u>	<u>\$ 9,162,992</u>	<u>\$ 8,786,068</u>	<u>\$ 8,196,685</u>	<u>\$ 7,080,376</u>	<u>\$ 8,656,947</u>	<u>\$ 10,391,261</u>	<u>\$ 9,786,307</u>	<u>\$ 8,903,928</u>	<u>\$ 8,675,184</u>	<u>\$ 7,155,263</u>	<u>\$ 10,655,606</u>
Kansas ECA Billed KWH	S=	23,871,431	19,910,642	18,807,586	15,290,109	16,704,862	20,075,703	23,304,164	21,741,122	17,812,499	16,188,797	17,726,159	21,911,110
Total Company Billed KWH		479,851,068	402,119,639	389,097,925	331,699,977	351,414,388	413,376,510	465,324,290	453,492,528	372,693,461	345,803,746	374,840,772	459,762,174
Kansas Jurisdiction Factor	KF=	4.975%	4.951%	4.834%	4.610%	4.754%	4.857%	5.008%	4.794%	4.779%	4.681%	4.729%	4.766%
Average Cost per KWH Sold-Kansas		2.103	2.278	2.258	2.471	2.015	2.094	2.233	2.158	2.389	2.508	1.909	2.318
Credit for Off-system Sales Profits		-	-	-	-	-	-	-	-	-	-	-	-
Annual Settlement Factor		0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046
Total ECA per KWH Sold-Kansas	cents per KWH	2.149	2.324	2.304	2.517	2.061	2.140	2.279	2.204	2.435	2.554	1.955	2.364

**Empire District Electric Co.  
Annual ACA Calculation  
For ECA Year Ending 10/31/2020**

**Attachment A  
Schedule 2**

	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	July 2020	Aug 2020	Sept 2020	Oct 2020	Total
<b>Integrated Market</b>													
Generation (includes PPA)	\$ 11,873,052.38	\$ 11,338,172.48	\$ 9,275,952.79	\$ 9,093,854.39	\$ 7,919,720.20	\$ 5,732,225.37	\$ 6,775,821.25	\$ 8,929,602.61	\$ 9,811,594.74	\$ 10,003,629.92	\$ 8,936,299.22	\$ 11,888,901.18	
Native Load Costs - IM Expense - FERC Netted	\$ (271,497.69)	\$ 645,936.60	\$ 1,302,767.09	\$ 352,032.82	\$ (236,413.08)	\$ 428,504.75	\$ 288,651.91	\$ 346,290.75	\$ 1,864,676.60	\$ 3,050,283.11	\$ (1,723,843.08)	\$ (1,329,962.15)	
EDE Sales - IM Revenue - FERC Netted	\$ (1,115,128.28)	\$ (995,491.63)	\$ (455,511.53)	\$ (915,736.68)	\$ (2,275,217.10)	\$ (895,306.10)	\$ (967,110.54)	\$ (650,422.18)	\$ (1,193,013.65)	\$ (1,055,927.74)	\$ (900,827.08)	\$ 91,219.48	
AQCS	\$ 134,778.62	\$ 76,853.02	\$ 95,629.11	\$ 72,043.68	\$ 61,594.42	\$ 17,806.09	\$ 59,205.86	\$ 51,136.44	\$ 69,121.90	\$ 60,402.73	\$ 51,194.33	\$ 62,699.80	
SWPA	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	\$ (2,566.70)	
Emission Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3.78)	\$ -	\$ -	\$ -	\$ -	\$ (3.78)
Total ECA Eligible Costs	\$ 10,618,638.33	\$ 11,062,903.77	\$ 10,216,270.76	\$ 8,599,627.51	\$ 5,467,117.74	\$ 5,280,663.41	\$ 6,154,001.78	\$ 8,674,037.14	\$ 10,549,812.89	\$ 12,055,821.32	\$ 6,360,256.70	\$ 10,710,291.61	\$ (3.78)
Kansas Billed KWH	17,562,771	18,424,572	20,259,643	20,623,550	17,894,621	14,838,813	13,692,023	16,255,106	21,700,911	22,162,827	20,427,521	15,084,583	218,926,941
Total Company Billed KWH	381,398,952	429,631,931	443,656,707	439,614,545	398,804,278	342,148,472	316,361,357	360,438,439	435,860,516	455,104,940	415,457,328	338,304,703	4,756,782,168
Kansas Jurisdiction Factor	KF= 4.605%	4.288%	4.567%	4.691%	4.487%	4.337%	4.328%	4.510%	4.979%	4.870%	4.917%	4.459%	4.602%
Kansas Costs Eligible for ECA Recovery	\$ 488,988.30	\$ 474,377.31	\$ 466,577.09	\$ 403,408.53	\$ 245,309.57	\$ 229,022.37	\$ 266,345.20	\$ 391,199.08	\$ 525,275.18	\$ 587,118.50	\$ 312,733.82	\$ 477,571.90	\$ 4,867,926.85
ECA Revenue	\$ 494,567.63	\$ 479,407.36	\$ 526,548.12	\$ 583,233.99	\$ 311,903.24	\$ 314,582.84	\$ 235,776.64	\$ 256,830.67	\$ 390,182.38	\$ 401,812.05	\$ 298,854.63	\$ 286,456.23	\$ 4,580,155.78
(Over)/Under Recovery as Reported Monthly	\$ (5,579.33)	\$ (5,030.05)	\$ (59,971.03)	\$ (179,825.46)	\$ (66,593.67)	\$ (85,560.47)	\$ 30,568.56	\$ 134,368.41	\$ 135,092.80	\$ 185,306.45	\$ 13,879.19	\$ 191,115.67	\$ 287,771.07
Prior Period Adjustments	\$ (5,654.63)	\$ (837.26)	\$ 4,067.75										\$ (2,424.14)
Adjustments Bi-Lat Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments SWPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments Derivative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kansas Share of Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted (Over)/Under Recovery	\$ (11,233.96)	\$ (5,867.31)	\$ (55,903.28)	\$ (179,825.46)	\$ (66,593.67)	\$ (85,560.47)	\$ 30,568.56	\$ 134,368.41	\$ 135,092.80	\$ 185,306.45	\$ 13,879.19	\$ 191,115.67	\$ 285,346.93
Annual Settlement Factor (Over)/Under	ACA=												100,810.47
Off System Profit Factor "D" Over/(Under)	OAV=												-
<b>Total (Over)/Under Recovery Amount For ACA</b>													<b>100,810.47</b>
<b>New ACA Rate</b>												\$ per KWH	<b>0.00046</b>

**ACA Reconciliation**  
**For ECA Year Ending 10/31/2020**

**Attachment A**  
**Schedule 3**

	<u>Nov 2019</u>	<u>Dec 2019</u>	<u>Jan 2020</u>	<u>Feb 2020</u>	<u>Mar 2020</u>	<u>Apr 2020</u>	<u>May 2020</u>	<u>Jun 2020</u>	<u>July 2020</u>	<u>Aug 2020</u>	<u>Sept 2020</u>	<u>Oct 2020</u>	<u>Total</u>
ACA Beginning Balance (Over)/Under	\$ (257,294.88)	\$ (338,583.26)	\$ (404,361.68)	\$ (438,054.49)	\$ (595,087.62)	\$ (641,816.68)	\$ (710,906.30)	\$ (665,128.49)	\$ (512,705.41)	\$ (353,523.25)	\$ (143,612.60)	\$ (107,383.47)	\$ (257,294.88)
ACA Recovery/(Refunds)	\$ 54,819.59	\$ 59,911.11	\$ (22,210.47)	\$ (22,792.33)	\$ (19,864.61)	\$ (16,470.85)	\$ (15,209.25)	\$ (18,054.67)	\$ (24,089.36)	\$ (24,604.20)	\$ (22,349.94)	\$ (17,078.27)	\$ (87,993.25)
Actual Annual (Over)/Under	ACA= \$ (11,233.96)	\$ (5,867.31)	\$ (55,903.28)	\$ (179,825.46)	\$ (66,593.67)	\$ (85,560.47)	\$ 30,568.56	\$ 134,368.41	\$ 135,092.80	\$ 185,306.45	\$ 13,879.19	\$ 191,115.67	\$ 285,346.93
Prior Period Adjustments	\$ (15,234.83)												\$ (15,234.83)
ACA Ending Balance (Over)/Under	<u>\$ (338,583.26)</u>												<u>\$ 100,810.47</u>



# APPENDIX B

CONFIDENTIAL