

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the matter of The Empire District)
Electric Company for Authority to File)
Tariffs Increasing Rates for Electric) **File No. ER-2014-0351**
Service Provided to Customers in the)
Company's Missouri Service Area)

RECONCILIATION

COMES NOW, the Staff of the Missouri Public Service Commission, by and through counsel, and pursuant to the Commission's October 28, 2014, *Order Setting Procedural Schedule*, states as follows:

1. By the Commission's October 28, 2014 Order, the Commission ordered Staff to file a reconciliation or the positions of the parties to this case on April 1, 2015.
2. Pursuant to that Order, please find filed herewith the Staff's April 1, 2015 Reconciliation.
3. This Reconciliation is based on a comparison of Staff's revenue requirement positions taken as of March 26, 2015, with a quantification of the differing positions taken to date by other parties to this proceeding.

WHEREFORE, Staff respectfully submits this Reconciliation in compliance with the Commission's October 28, 2014, *Order Setting Procedural Schedule*.

Respectfully submitted,

/s/ Robert S. Berlin
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of April, 2015.

/s/ Robert S. Berlin

Empire District Electric Company
ER-2014-0351
Revenue Requirement Reconciliation
April 1, 2015

Line No.			
1	Company Revenue Requirement Per Reconciliation		\$ 24,323,522
2	Unreconciled Difference (due to Rounding)		\$ (4,169)
3	Company Revenue Requirement		\$ 24,319,353
4			
5	Issues Eliminated As A Result Of True-up		
6	Value of Net Plant in Service True-up	\$ 12,581,930	
7	Depreciation Expense - True-up	\$ 4,630,732	
8	Estimated Additional O&M Expense	\$ 238,300	
9			\$ 17,450,962
10			
11	Rate of Return & Capital Structure		
12	Value of Capital Structure Issue - Staff / Company	\$ 189,076	
13	Capital Structure impact on Interest Expense Deduction	\$ 1,560,959	
14	Rev. Req. Value of Return on Equity	\$ (6,674,388)	
15	Sub-Total Rate of Return and Capital Structure Differences		\$ (4,924,353)
16			
17	Rate Base Issues :		
18			
19	Prepayments	\$ (277,477)	
20	Vegetation/Infrastructure Trackers	\$ (95,864)	
21	laCom OM Tracker ER-2011-0004	\$ 48,042	
22	latan 2 O&M ER-2011-0004 Tracker	\$ (119,823)	
23	May 2011 Tornado Storm Deferral	\$ (92,797)	
24	MO 2011 Tornado Depr Deferral	\$ (147,933)	
25	May 2011 Tornado Carrying Cost	\$ (201,824)	
26	Federal Tax Offset (EDE = 11.4601%; Staff = 9.1507%)	\$ 161,899	
27	State Tax Offset (EDE = 11.4601%; Staff = -10.6411%)	\$ 64,368	
28	Interest Expense Offset (EDE = 12.0493%; Staff = 12.0493%)	\$ 42,638	
29	Deferred Income Taxes-Accumulated	\$ (543,064)	
30	Plum Point O&M ER-2011-0004 Tracker	\$ 4,423	
31	laCom OM Tracker ER-2011-0004	\$ -	
32	Rate Base Issues Between Parties that are Non-Issues in this Case	\$ (6,829,283)	
	Rate Base True-up Dollars Associated with Tax Factor-up of 1.62308%	\$ (1,779,957)	
33	Sub Total - Rate Base Issues		(\$9,766,649)
34			
35	Income Statement - Revenue Issues		
36	Remove Off-System Sales from Test Year	\$ (7,001,378)	
37	Normalize SPP Transmission Revenue	\$ 446,331	
38	Annualize RECs	\$ 127,886	
39	Annualize SPP IM sales	\$ (544,971)	
40	Annualize SPP IM sales (ancillary & misc)	\$ (3,191,027)	
41	Revenues Issues Between Parties that are Non-Issues in This Case	\$ (671,665)	
42	Sub Total - Revenue Adjustments		\$ (10,834,824)
43			
44	Income Statement - Expense Issues		
45	Fuel/Purchased Power Expense	\$ 9,874,722	
46	Normalize Rate Case Expense	\$ (453,060)	
47	Eliminate EEI Dues	\$ (132,547)	
48	Normalize SPP Transmission Expense	\$ (352,508)	
49	Normalize Advertising Expense	\$ (139,831)	
50	Adjust DSM Programs	\$ (978,021)	
51	Reflect LTP annual cost cost - Riverton	\$ (3,932,956)	
52	Payroll Annualization	\$ (1,243,192)	
53	Plant Maintenance & Operating Expense	\$ (21,284)	
54	Rebase O&M Tracker	\$ 1,151,510	
55	Amortize Vegetation Tracker Over Five Years	\$ (434,506)	
56	Expense Issues Between Parties that are Non-Issues in this Case	\$ (4,052,329)	
57	Total Oper. & Maint. Expense		\$ (714,001)
58			
59	Impact on Income Tax Expense of Depreciation Difference	\$ 411,845	
60	Sub Total - Expense Adjustments		\$ 411,845
61			
62	Tax Depreciation in Excess of S/L	\$ (25,322,054)	
63	Non-deductible expense	\$ 7,651	
64	State Tax Flowthrough	\$ (190,367)	
65	Intangible Amortization	\$ 220,725	
66	Tax Depreciation in Excess of S/L	\$ 25,322,054	
67	Employee Stock Option Deduction	\$ -	
68	Amortization of Deferred Income Tax	\$ (959,521)	
69	Total of Deferred Tax & Amortization		\$ (921,512)
70	Total Value of All Issues		\$ (9,298,532)
71	Unreconciled Difference-due to Rounding		\$ 11,525
72	Staff Revenue Requirement		\$ 15,032,346

73			
74	OPC Issues		
75			
76	Rate of Return & Capital Structure		
77	Value of Capital Structure Issue - Staff / OPC	\$ (162,518)	
78	Rev. Req. Value of Return on Equity	\$ (3,882,870)	
79	Sub-Total Rate of Return and Capital Structure Differences		\$ (4,045,388)
80			
81	Income Statement - Expense Issues		
82	Iatan 2 O&M Amortization Expense	\$ 394,384	
83	Iatan Common O&M Amortization Expense	\$ (555,727)	
84	Plum Point O&M Amortization Expense	\$ 196,396	
85	Vegetation Management Normalize Expense	\$ 115,498	
86	Vegetation Management Amortization Expense	\$ (159,633)	
87	Iatan 2 O&M Normalize Expense	\$ -	
88	Iatan Common Normalize Expense	\$ (502)	
89	Plum Point Normalize Expense	\$ -	
90	Corporate Franchise Tax	\$ (38,763)	
91	Rate Case Expense	\$ (33,912)	
90	Sub Total - Expense Adjustments		\$ (82,259)
91	Total Value of All Issues		\$ (4,127,647)
92			
91	OPC Revenue Requirement		\$ 10,904,700