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Witness: Jayna R. Long
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Sponsoring Party: Empire District Electric
Case No. ER-2008-0093
Date Testimony Prepared: June 2008

**Missouri Public
Service Commission**

**Before the Public Service Commission
of the State of Missouri**

True-up Direct Testimony

of

Jayna R. Long

June 2008

Empire Exhibit No. 33
Case No(s) ER-2008-0093
Date 6-18-08 Rptr KT

JAYNA R. LONG
DIRECT TRUE-UP TESTIMONY

DIRECT TRUE-UP TESTIMONY
OF
JAYNA R. LONG
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2008-0093

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Jayna R. Long. My business address is 602 Joplin Street, Joplin, Missouri.

Q. ARE YOU THE SAME JAYNA R. LONG WHO PREVIOUSLY FILED TESTIMONY IN THIS CASE?

A. Yes, I am.

Q. PLEASE REVIEW YOUR UNDERSTANDING AS TO WHY THE COMMISSION ORDERED A TRUE-UP IN THIS CASE?

A. The test year utilized by all parties for their respective filings in this case was the twelve months ending June 30, 2007, updated through December 31, 2007. One of the issues in this case concerns The Empire District Electric Company's ("Empire" or "Company") proposal to include its investment in the Asbury SCR in rate base for purposes of setting rates. The Missouri Public Service Commission ("Commission") Staff initially opposed the Company's proposal because the Asbury SCR was not in service, and therefore "used and useful," by the end of the updated test year of December 31, 2008. However, in his rebuttal testimony, Staff's witness Mark L. Oligschlaeger stated that, "in the event the Commission is persuaded to include this project in Empire's rate base in this case, the Staff believes that this inclusion is best accomplished through ordering of a true-up procedure to ensure that all of Empire's revenue, expense, rate base and

rate of return revenue requirement components are matched and measured consistently in time with the Asbury SCR addition.” The Commission subsequently ordered the parties to conduct true-up investigations and to file direct and rebuttal testimonies presenting the results of those investigations. That evidence is to be considered at hearings scheduled for June 19 and 20, 2008.

Q. WHAT EFFECT WILL USE OF A TRUE-UP PERIOD THROUGH FEBRUARY 29, 2008, HAVE ON EMPIRE’S PROPOSAL TO INCLUDE THE ASBURY SCR IN RATE BASE?

A. Using a true-up period through February 29, 2008, should eliminate the basis for Staff’s objection to including the Asbury SCR in rate base in this case. If major elements of Empire’s cost of service are also updated through February 29th, the mismatch of revenues, expenses, and investment that Staff cited as the basis for its objection will no longer be valid.

Q. WHAT STEPS HAS EMPIRE TAKEN TO DEVELOP AND PRESENT TO THE COMMISSION THE INFORMATION NECESSARY TO ACCOMPLISH THE TRUE-UP?

A. During the course of Staff’s true-up investigation and audit, personnel of Empire worked closely with the Staff and provided all information necessary to update specific items of revenue, expense, and investment through February 29, 2008. Although Empire has not seen the final results of Staff’s investigation and audit, the Company has discussed the approach being utilized by Staff and based on those discussions and the information that Empire has been provided, Empire believes that Staff’s report, with the exception of return on equity, depreciation

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rates and the Commission rules tracker, will fairly and accurately update the Company's results of operations for the true-up period. Accordingly, the Company tentatively concurs with and adopts Staff's true-up report, except for the items mentioned previously, and subject to, and conditioned upon, any additional comments that Empire may choose to make in its true-up rebuttal testimony, which is scheduled to be filed on or before June 16, 2008.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.