

**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 Service Provided to Customers) Case No. ER-2014-0351
in the Company’s Missouri Service Area)

NON-UNANIMOUS STIPULATION AND AGREEMENT ON CERTAIN ISSUES

COME NOW The Empire District Electric Company (“Empire” or “Company”), the Staff of the Commission (“Staff”), the Office of the Public Counsel (“OPC”), the City of Joplin (“Joplin”), the Missouri Department of Economic Development – Division of Energy (“DE”), and the Midwest Energy Users’ Association (“MEUA”) (collectively, the “Signatories”),¹ by and through their respective counsel, and, for their Non-Unanimous Stipulation and Agreement on Certain Issues (“Non-Unanimous Agreement”), respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. The Signatories to this Non-Unanimous Agreement have reached agreement as to all issues in this rate case proceeding. MECG, however, will be objecting to this Non-Unanimous Agreement and will be requesting a hearing on certain issues. As such, this Non-Unanimous Agreement will become the joint position statement of the Signatories (“Joint Recommendation”) on the issues addressed herein.² The Signatories believe the Commission will need to make specific findings of fact as to the issues addressed herein, but may then, based on the record evidence that will then be before the Commission, make the additional finding that acceptance of the Joint Recommendation is a fair and reasonable resolution of these issues.

¹ The Signatories are all parties to this proceeding with the exception of the Midwest Energy Consumers Group (“MECG”).

² This is similar to the procedural setting in Missouri-American Water Company’s rate case proceeding, Commission Case No. WR-2007-0216, et al.

2. This Non-Unanimous Agreement is being entered into solely for the purpose of settling the issues addressed herein and for purposes of this case only. Unless otherwise explicitly provided herein, none of the Signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost determination or cost allocation or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Non-Unanimous Agreement in this or any other proceeding.

3. **Net Base Fuel and Purchased Power:** Pursuant to Exhibit 1 attached hereto, total fuel and purchased power for Empire's FAC Base shall include net transmission (costs minus revenues) of \$4,894,040.

4. **FAC Tariff:** The Signatories agree that the FAC tariff sheets shall be as shown in Exhibit 2 attached hereto. The FAC excludes Southwest Power Pool ("SPP") Schedule 1A and 12 charges and also excludes Empire's labor, administrative, and convention costs from Acct. 501. Exhibit 3 attached hereto shows the subaccounts which the Signatories agree should be included in Empire's FAC at this time. For the FAC tariff, the Missouri jurisdictional energy allocation factor will be used in the allocation of off-system sales revenues (accounts 447133 and 447830), and REC revenues (account 456073). Empire will work with stakeholders to develop descriptions of the costs and revenues that are flowing through the FAC to be filed with the Commission in the next case.

5. **Misc. Tariffs:** The Signatories agree that Empire should not be required to submit a Large Power rate schedule in its next case that recognizes a time differentiated facilities demand charge.

6. **Class Cost of Service and Rate Design:** The Signatories agree that Staff's proposed rate design and revenue allocation methodology should be used in this case, including a revenue neutral shift to the residential class of .75%, with a .85% decrease for LP, TEB, and GP rate classes.

The Signatories agree that Staff's proposed rate design and revenue allocation methodology should be modified in this case only as follows: there shall be no increase in the residential customer charge at this time.³

7. **Riverton 12 Rate Case:** Empire intends to file a rate case shortly after the conclusion of this case (the Riverton 12 case). The Signatories agree to use Staff's EMS run dated February 26, 2015 as a starting point for calculation of the revenue requirement in the Riverton 12 case, to which any party may propose adjustments. The Signatories will work toward agreement of necessary update/adjustment of this run for this purpose for the Riverton 12 case. Any party will have the opportunity to bring up any issue in the Riverton 12 case, including, but not limited, to the following: FAC, rate case expense, return on equity, low income weatherization program evaluation, true-up, fuel, depreciation, rate design.

8. **Expedited Treatment:** The Signatories agree to work toward a tariff effective date as soon as possible for rates resulting from this proceeding.

WHEREFORE, Empire, Staff, OPC, Joplin, DE, and MEUA respectfully submit this Non-Unanimous Stipulation and Agreement on Certain Issues and respectfully request, with

³ Pursuant to the Revised Stipulation and Agreement and List of Issues filed herein on April 8, 2015, which may be treated as unanimous pursuant to 4 CSR 240-2.115(2)(C), it is agreed that there shall be no increase in the residential customer charge in this case. This provision is also being included in this Non-Unanimous Agreement to emphasize that no increase in the residential customer charge is the only change that the Signatories believe should be made in this case to Staff's proposed rate design and revenue allocation methodology.

regard to the issues addressed herein, that the Commission issue orders consistent with the procedure set forth in Commission Case No. WR-2007-0216, et al.

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CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing document was filed in EFIS and that a copy of the same was sent via electronic mail on this 8th day of April, 2015, to all counsel of record.

/s/ Diana C. Carter