

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

In the matter of The Empire District Electric)
Company of Joplin, Missouri for Authority to File)
Tariffs Increasing Rates for Electric Service)
Provided to Customers in the Missouri Service)
Area of the Company.)

Case No. ER-2011-0004

NOTICE OF ERROR IN STAFF'S COST OF SERVICE REPORT

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through Staff Counsel's Office, and for its *Notice* states as follows:

1. Staff has become aware of an error in its recommended depreciation rates for Iatan 2, and its quantification of the related depreciation expense.
2. Although Staff's Cost of Service Report described the use of the accumulated regulatory plan amortizations as an offset to the Iatan 2 rate base, the remaining life depreciation rates filed as Appendix 3, Schedule JAR(DEP)-3 did not actually reflect that offset. A corrected version of Appendix 3, Schedule JAR(DEP)-3 is attached as Appendix A.
3. The effect of the corrected depreciation rates reduces the depreciation expense included in Staff's revenue requirement by approximately \$500,000.

WHEREFORE the Staff provides its *Notice*.

Respectfully submitted,

/s/ Sarah Kliethermes
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Missouri Bar No. 60024

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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 22nd day of April, 2011.

/s/ Sarah Kliethermes

**Corrected Class Cost of Service Report Appendix 3, Schedule JAR(DEP)-3
The Empire District Electric Company
Staff Recommended Annual Depreciation Rates for Iatan 2**

<u>Account Number</u>	<u>Account Description</u>	Iatan 2 Remaining Life Depreciation Rate (%)	Iatan 2 Average Service Life (Years)	Iatan 2 Iowa Curve	Iatan 2 Net Salvage
STEAM PRODUCTION PLANT					
311.6	Iatan 2 Structures and Improvements	1.45%	60	R2	-6.00%
312.6	Iatan 2 Boiler Plant Equipment	1.44%	60	R2	-5.00%
314.6	Iatan 2 Turbogenerator Units	1.47%	60	R2	-7.00%
315.6	Iatan 2 Accessory Electric Equipment	1.47%	60	R2	-7.00%
316.6	Iatan 2 Miscellaneous Power Plant Equipment	1.44%	60	R2	-5.00%