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KELVIN L. SIMMONS

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.state.mo.us>

December 15, 2000

BRIAN D. KINKADE
Executive Director

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Director, Utility Operations

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Director, Utility Services

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Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED

DEC 15 2000

Missouri Public
Service Commission

RE: Case No. ER-2001-299 – In the Matter of The Empire District Electric Company's tariff sheets designed to implement a general rate increase for retail electric service provided to customers in the Missouri service area of the Company

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF TEST YEAR RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Steven Dottheim
Chief Deputy General Counsel
(573) 751-7489
(573) 751-9285 (Fax)

Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION

FILED

DEC 15 2000

OF THE STATE OF MISSOURI

Missouri Public
Service Commission

In the matter of The Empire District Electric)
Company's tariff sheets designed to implement a)
general rate increase for retail electric service)
provided to customers in the Missouri service area)
of the Company)

Case No. ER-2001-299

STAFF TEST YEAR RECOMENDATION

Comes now the Staff of Missouri Public Service Commission (Staff) in response to the November 16, 2000 Suspension Order And Notice of the Missouri Public Service Commission (Commission) directing the Staff to file on or before December 15, 2000 a pleading either indicating concurrence in the test year recommended by The Empire District Electric Company (EDE) or proposing alternatives to EDE's recommended test year. In response thereto, the Staff states as follows:

1. On November 30, 2000, pursuant to the Commission's November 16, 2000 Suspension Order And Notice, EDE filed its Test Year Recommendation which states as follows:

As reflected in the prepared direct testimony (p. 4) of Robert B. Fancher filed on November 3, 2000, Empire recommends as the test year the twelve months ended December 31, 2000. Because of the significant plant addition of Empire's new State Line Combined Cycle Plant (SLCC), which is scheduled to be operational on June 1, 2001, the "test year as updated" should be through and including May 31, 2001, except for costs related to SLCC which would be addressed in the true-up. (See separate pleading filed regarding true-up.) Empire anticipates a postage increase in 2001, and therefore may also propose certain isolated changes such as that.


The Staff concurs in the test year recommendation of EDE of the twelve (12) months ended December 31, 2000, updated for material, known and measurable changes that maintain a

proper matching of revenues, expenses and rate base, including the State Line Combined Cycle Plant (SLCC), if it is "fully operational and used for service" (Section 393.135 RSMo 1994), which is scheduled to be operational on June 1, 2001.

Wherefore the Staff concurs in the test year recommendation of The Empire District Electric Company, filed on November 30, 2000, of the twelve (12) months ended December 31, 2000.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Dennis L. Frey
Associate General Counsel
Missouri Bar No. 44697

Steven Dottheim
Chief Deputy General Counsel
Missouri Bar No. 29149

Attorneys for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8700 (Telephone)
(573) 751-9285 (Fax)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 15th day of December 2000.



Service List for
Case No. ER-2001-299
Verified: December 15, 2000 (RR)

Office of the Public Counsel
P. O. Box 7800
Jefferson City, MO 65102

Gary Duffy
Brydon, Swearengen & England, P.C.
P. O. Box 456
Jefferson City, MO 65102-0456

Stuart W. Conrad
Finnegan, Conrad & Peterson
3100 Broadway
1209 Penntower Office Bldg.
Kansas City, MO 64111