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August 31, 2001

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Director, Utility Services
DONNA M. KOLILIS
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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

RE: Case No. ER-2001-299

FILED³
AUG 31 2001 MS
Missouri Public
Service Commission

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **TRUE-UP RECONCILIATION OF PARTIES' POSITIONS ON THE REVENUE REQUIREMENT ISSUES, AND MOTION FOR LEAVE TO FILE OUT OF TIME.**

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,

Dennis L. Frey
Associate General Counsel
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DLF:ccl
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

AUG 3 1 2001

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

TRUE-UP RECONCILIATION OF PARTIES' POSITIONS
ON THE REVENUE REQUIREMENT ISSUES,
AND MOTION FOR LEAVE TO FILE OUT OF TIME

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), on its own behalf and on behalf of The Empire District Electric Company ("Company") and the Office of the Public Counsel, and Praxair, Inc., and states the following to the Missouri Public Service Commission ("Commission"):

1. On May 23, 2001, pursuant to the procedural schedule ordered in this case, the Staff, acting on behalf of the above-listed parties, filed a Reconciliation Of Parties' Positions On The Revenue Requirement Issues. On May 31, 2001, during the evidentiary hearing in this case, the presiding Regulatory Law Judge directed the filing of another reconciliation, incorporating any changes to the originally filed reconciliation that might be appropriate. Accordingly, on June 5, 2001, the Staff filed the Revised Reconciliation Of Parties' Positions On The Revenue Requirement Issues.

2. The June 5 reconciliation was based on the best information available at that time. Attached hereto as Appendix A is the True-Up Reconciliation, which updates the June 5 filing on

the basis of the recently completed true-up audit. As such, the True-Up Reconciliation supersedes the previously filed reconciliation.

3. Appearing in the True-Up Reconciliation is a note quantifying the difference between the Company's proposed depreciation rates and the current depreciation rates. This difference amounts to \$4,989,748 on a Missouri jurisdictional basis. It should also be noted that one of the components of "Depreciation Expense," formerly titled "Difference Associated with Amortization of Net Salvage," is now more accurately titled "Difference Associated with Amortization of Reserve deficiency (surplus)."

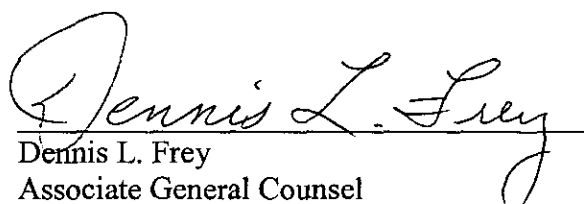
4. The True-Up Reconciliation reflects the \$320,000 addition to the revenue requirement, related to jurisdictional allocations, which was filed as Staff's Revised True-Up Revenue Requirement on August 23, 2001, and admitted into evidence (Exhibit 141) at the true-up hearing on that same day. Additional changes in the True-Up Reconciliation figures are due to the update of the capital structure and the inclusion of the recently identified property tax issue.

5. Under the procedural schedule adopted in this case, the parties were to file the True-Up Reconciliation on August 30, 2001. Unfortunately, the process of resolving differences regarding the numbers to be included therein ultimately prevented a timely filing. As a result, the document is being filed the following day. The Staff would note and assert that all of the parties to this case are in support of the True-Up Reconciliation, that no party objects to its late filing, and that no party is adversely affected by this brief delay in filing.

WHEREFORE, the Staff respectfully requests that the Commission grant leave to file the attached True-Up Reconciliation out of time.

Respectfully submitted,

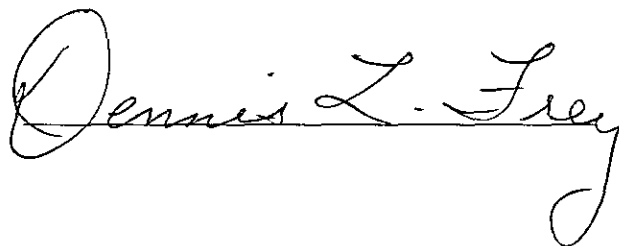
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Certificate of Service

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 31st day of August 2001.



TRUE-UP AS OF JUNE 30, 2001

File Name: EDE Case NO-2001-299T True-up Case Reconciliation.
Sheet: A

Line Number	Description of Issues	Staff Position	Company Position	OPC Position	Staff/Company Difference	Change In Revenue Requirement	Accumulated Change In Revenue Requirement
1	Company Adjusted Revenue Requirement Filed November 3, 2000						\$ 39,143,681
	This number assumes changes to Company's run for settled issues.					\$ 8,875,553	\$ 30,268,108
Revenue Items:							
None.							
Expense Items:							
	Payroll - Incentive Compensation	\$ -	\$ 264,925		\$ (264,925)	\$ (264,925)	\$ 30,003,183
	Bad Debt Expense - Factor-up on additional Revenue Requirement	\$ -	\$ 50,431		\$ (50,431)	\$ (50,431)	\$ 29,952,752
	Property Taxes on Additional June 30, 2001 Plant	\$ -	\$ 884,040		\$ (884,040)	\$ (884,040)	\$ 29,068,712
	Depreciation Expense	\$ 21,486,221	\$ 33,159,203		\$ (11,672,982)	\$ (11,672,982)	\$ 17,395,730
	Difference associated with Cost of Removal Issue	\$ 1,067,730	\$ 2,580,176		\$ (1,512,446)	\$ (1,512,446)	\$ 15,883,284
	Difference Associated with Amortization of Reserve deficiency (surplus)	\$ -	\$ 1,223,047				
	Difference Associated with the Shorter Plant Life	\$ -	\$ 7,861,225				
Rate of Return/Cost of Capital Differences							
	Return on Equity difference between Staff and Public Counsel on Staff's Rate Base					\$ 3,635,678	\$ 19,518,962
	Capital Structure difference between Staff and Public Counsel on Staff's Rate Base					\$ 86,564	\$ 19,432,398
	Rate Base Differences other than SLCC unit					\$ -	\$ 19,432,398
	Return on Equity difference between Public Counsel and Company					\$ 4,501,315	\$ 14,931,083
	Capital Structure difference between Public Counsel and Company					\$ 2,510,349	\$ 12,420,734
Staff's True-up Revenue Requirement Run Filed August 7, 2001 - at the Mid-point of Staff's ROE							
							\$ 12,420,734
True-up Settlement Associated with the Distribution Allocations Filed August 23, 2001 - at the Mid-point of Staff's ROE							
						\$ 320,000	\$ 12,740,734
Staff Adjusted True-up Revenue Requirement before Interim Energy Charge - At the Mid-point of Staff's ROE							
							\$ 12,740,734
Interim Energy Charge Subject to Refund							
							\$ 19,643,484
Total Adjusted Revenue Requirement including The Interim Energy Charge							
							\$ 32,384,218

NOTE -- With respect to the depreciation issue, if the Commission were to reject both Company and Staff positions and leave depreciation rates at the current authorized levels the Commission would reduce Company's Missouri Jurisdictional revenue requirement \$4,989,748 which represents the difference between Company's total proposed depreciation rates of \$33,159,203 and the current authorized rates of \$28,169,456.

Staff's	Percent Of Capital	Embedded Cost	Mid Point Weighted Cost 9.00%	Gross Weighted Cost
Rate of Return Calculation:				
Common Stock Equity	37.76%		3.40%	5.52%
Preferred Stock	7.88%	8.88%	0.70%	0.70%
Long-Term Debt	54.36%	7.87%	4.28%	4.28%
Short-Term Debt	0.00%		0.00%	0.00%
Total	100.00%		8.38%	10.50%

Rate Base Factor-up for tax purposes is $1/(1-.3839) = 1.6231$ Factored Return On Rate Base 10.50%

Company's	Percent Of Capital	Embedded Cost	11.50%	Cost
Rate of Return Calculation:				
Common Stock Equity	45.00%		5.18%	8.40%
Preferred Stock	7.90%	8.88%	0.70%	0.70%
Long-Term Debt	47.10%	7.91%	3.73%	3.73%
Short-Term Debt	0.00%		0.00%	0.00%
Total	100.00%		9.60%	12.83%

Public Counsel's	Percent Of Capital	Embedded Cost	10.00%	Cost
Rate of Return Calculation:				
Common Stock Equity	37.76%		3.78%	6.13%
Preferred Stock	7.88%	8.77%	0.69%	0.69%
Long-Term Debt	54.36%	7.87%	4.28%	4.28%
Short-Term Debt	0.00%		0.00%	0.00%
Total	100.00%		8.75%	11.10%

Service List for
Case No. ER-2001-299
Verified: August 30, 2001 (ccl)

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