

**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    )        **Case No. ER-2010-0130**  
Rates for Electric Service Provided to Customers in the        )  
Missouri Service Area of the Company.                                )

**STAFF’S RECOMMENDATION TO APPROVE TARIFF SHEETS**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), and for its recommendation states as follows to the Missouri Public Service Commission (“Commission”):

1. On October 29, 2009, The Empire District Electric Company (“Empire”) filed with the Commission testimony and tariff sheets designed to increase Empire’s Missouri gross annual electric revenues by approximately \$68.7 million, exclusive of applicable gross receipts, sales, franchise, or occupational fees or taxes.

2. On February 25, 2010, certain parties to this case filed a *Stipulation and Agreement*, which provided, among other things, that the Signatory Parties agreed that their position in Case No. ER-2010-0130 is to include the costs related to Plum Point in Empire’s rate base for ratemaking purposes: (i) based on properly processed and paid invoices and journal entries charged through March 31, 2010; (ii) provided that Plum Point is Fully Operational and Used for Service on or before August 15, 2010; and (iii) subject to a subsequent prudence review of the capital expenditures for Plum Point.

3. On May 12, 2010, certain parties to this case filed a *Non-Unanimous Stipulation and Agreement* which was not opposed by any party. That *Non-Unanimous Stipulation and Agreement* provided that if the Commission determined that the Plum Point generating unit was, on or before August 15, 2010, fully operational and used for service, that the Commission order Empire to file revised tariff sheets containing rate schedules designed to produce an increase in Empire’s Missouri jurisdictional gross annual electric revenues in the amount of \$36,800,000

(plus a specified level of regulatory plan amortizations) exclusive of any applicable license, occupation, franchise, gross receipts taxes, or similar fees or taxes. On May 19, 2010, the Commission issued its *Order Approving Unanimous Stipulation and Agreement*, with an effective date of May 29, 2010, in which it approved the May 12 agreement.

4. The May 12 agreement provided, *inter alia*, that:

The Parties agree that they will use their best efforts to reach a resolution of the question of whether Plum Point is “fully operational and used for service” in time so that the revised tariff sheets agreed to herein will become effective for service rendered on and after September 10, 2010.

5. On August 16, 2010, certain parties filed their *Stipulation and Joint Requests Regarding Plum Point*, in which the signatory parties agreed that Plum Point had met the applicable in-service criteria prior to August 15, 2010, and requested the Commission declare Plum Point fully operational and used for service. The parties to that stipulation requested, *inter alia*, that the Commission order Empire to file revised tariff sheets containing rate schedules in conformance with Appendix A to the May 12, 2010, *Non-Unanimous Stipulation and Agreement*, approved by order of the Commission May 19, 2010.

6. The parties to the August 16 stipulation further agreed to support a reasonable request by Empire for expedited treatment such that the filed tariffs become effective on September 10, 2010.

7. The August 16 stipulation was not opposed by any party, and was approved by Order of the Commission issued August 18, 2010, with an effective date of August 28, 2010.

8. On August 23, 2010, Empire filed a *Motion for Expedited Treatment and Approval of Tariff Sheets to Be Filed in Compliance with Commission Order and Pursuant to Agreement*, in which it stated its intent to file in EFIS on August 30 compliance tariffs as directed in the Commission’s Order effective August 28. Empire requested as follows:

Pursuant to 4 CSR 240-2.080(16)(A), Empire requests that the Commission act on this motion on or before **Wednesday, September 1, 2010**, and issue its order approving Empire's compliance tariffs, said order to be effective **September 10, 2010**.

9. In its August 25, 2010, *Order Directing Filing*, the Commission ordered its Staff to file no later than August 31, 2010, a recommendation informing the Commission of whether the tariff sheets that will be filed on August 30, 2010, are in compliance with the Commission's order and consistent with the parties' agreement.

10. Empire filed compliance tariffs in EFIS on August 30, 2010, at approximately 2:00 pm.

11. On August 30, 2010, Staff promptly undertook its review of Empire's compliance tariffs, to verify that the filed tariffs did not differ from the appropriate set of specimen tariffs attached to the May 12 agreement.

12. In the attached memorandum, labeled Attachment A, the Staff notes that it has reviewed the tariff sheets as filed by Empire on August 30, 2010, and states Empire's filing complies with the agreements of the parties and the applicable Commission orders. Staff recommends approval of these tariff sheets, as listed in Staff's memorandum.

13. The revised tariffs bear an effective date of September 29, 2010. However, in accordance with the May 12 agreement, approved by Order of the Commission effective May 19, and consistent with its commitment in the August 16 agreement, Staff recommends the tariffs be ordered to go into effect on September 10, 2010, on less than thirty days' notice.

**WHEREFORE**, the Staff respectfully recommends the Commission approve Empire's tariff filing to become effective on September 10, 2010, on less than thirty days' notice.

Respectfully submitted,

/s/ Sarah Kliethermes  
Sarah L. Kliethermes  
Associate Counsel  
Missouri Bar No. 60024

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-6726 (Telephone)  
(573) 751-9285 (Fax)  
sarah.kliethermes@psc.mo.gov

**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 31<sup>st</sup> day of August, 2010.

/s/ Sarah Kliethermes