

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 27th day of April, 2011.

In the Matter of Empire District Electric Company's) **Case No. EO-2011-0066**
2010 Utility Resource Filing Pursuant to CSR 240-22)

**ORDER APPROVING NONUNANIMOUS STIPULATION AND
AGREEMENT AND ACCEPTING INTEGRATED RESOURCE PLAN**

Issue Date: April 27, 2011

Effective Date: April 27, 2011

On September 3, 2010, the Empire District Electric Company (“Empire”) filed its 2010 Integrated Resource Planning Filing (“IRP”), which is required by the Commission’s Integrated Resource Planning rule, 4 CSR 240-22. The purpose of the Commission’s integrated resource planning rule is to require Missouri’s electric utilities to undertake an adequate planning process to ensure that the public interest in a reasonably priced, reliable, and efficient energy supply is protected. Commission Rule 4 CSR 240-22.080(13) requires that after considering an electric utility’s IRP filing, the Commission issue an order containing findings that the filing “either does or does not demonstrate compliance with the requirements of this chapter, and that the utility’s resource acquisition strategy either does or does not meet the requirements stated in 4 CSR 240-22.010(2)(A)-(C).”¹ Furthermore,

¹ 4 CSR 240-22.010(2) provides as follows:

(2) The fundamental objective of the resource planning process at electric utilities shall be to provide the public with energy services that are safe reliable and efficient, at just and reasonable rates, in a manner that serves the public interest. This objective requires that the utility shall –

(A) Consider and analyze demand-side efficiency and energy management measures on an equivalent basis with supply-side alternatives in the resource planning process;

4 CSR 240-22.010(1) provides that a Commission finding that a utility is in compliance with these rules is not to be construed as Commission approval of the utility's resource plans, resource acquisition strategies or investment decisions.

On April 1, 2011, Empire, the Commission's Staff, the Office of the Public Counsel ("Public Counsel"), the Missouri Department of Natural Resources ("MDNR"), and Dogwood Energy, L.L.C. ("Dogwood"), filed a non-unanimous stipulation and agreement ("Agreement"). The remaining participants, Praxair, Inc. and the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") are not signatories to the Agreement.

The Agreement applies to Empire's current IRP filing and to Empire's next Chapter 22 triennial compliance filing scheduled for April 1, 2013. The signatories agree that there is not adequate time prior to the anticipated April 1, 2013 filing date to resolve all of the alleged deficiencies in the current IRP filing through a revised filing in this case. Consequently, the signatories agreed to focus their attention and efforts on Empire's next Chapter 22 triennial compliance filing provided that Empire agrees to comply with the terms of the Agreement.

(B) Use minimization of the present worth of long-run utility costs as the primary selection criterion in choosing the preferred resource plan; and

(C) Explicitly identify and, where possible, quantitatively analyze any other considerations which are critical to meeting the fundamental objective of the resource planning process, but which may constrain or limit the minimization of the present worth of expected utility costs. The utility shall document the process and rationale used by decision makers to assess the tradeoffs and determine the appropriate balance between minimization of expected utility costs and these other considerations in selecting the preferred resource plan and developing contingency options. These considerations shall include, but are not necessarily limited to, mitigations of –

1. Risks associated with critical uncertain factors that will affect the actual costs associated with alternative resource plans;
2. Risks associated with new or more stringent environmental laws or regulations that may be imposed at some point within the planning horizon; and
3. Rate increases associated with alternative resource plans.

Commission Rule 4 CSR 240-2.115 provides that if no objection is made to a non-unanimous stipulation and agreement within seven days of its filing, the stipulation and agreement may be treated as unanimous. No participant to this matter objected within the seven day deadline, nor were any comments or responses filed by the response deadline. Because no participant has filed a timely objection to the Agreement, it will be treated as a unanimous agreement.

Based on the Commission's independent and impartial review of Empire's IRP filing and the unopposed Agreement, the Commission finds that Empire's IRP filing, subject to the terms of the Agreement, demonstrates compliance with the requirements of Commission Rule 4 CSR 240-22. The Commission finds that the Agreement is consistent with the public interest and shall be approved.

THE COMMISSION ORDERS THAT:

1. The Nonunanimous Stipulation and Agreement filed on April 1, 2011, is approved. The signatory parties shall comply with the terms of the Agreement. A copy of the agreement will be attached to this order as Appendix A, and is incorporated by reference as if fully set forth.
2. The Empire District Electric Company's 2010 Integrated Resource Plan is accepted as being in compliance with Commission Rule 4 CSR 240 – Chapter 22.
3. The Commission's acceptance of this Integrated Resource Plan does not indicate Commission approval of the utility's resource plan, resource acquisition strategies or investment decisions.

4. This order shall become effective on April 27, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Clayton, Davis, Jarrett,
and Kenney, CC., concur.

Stearley, Senior Regulatory Law Judge