

to which Empire's financial data is to be brought forward. The company's proposal should also specify a complete list of accounts of items of expense, revenues, and rate base designed to prevent any mismatch in those areas. The Commission will not consider a true-up of isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time.¹

The Commission will schedule the hearing dates in this order as well as reserve date for a true-up hearing. By establishing the hearing dates now, the Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the early establishment of the hearing dates will allow ample time for notice to be sent to customers. The company shall give notice of its request to customers as directed in the ordered paragraphs.

The Commission will set an early prehearing conference and require the parties to file a proposed procedural schedule with additional filing dates for testimony, a second prehearing conference, local public hearings, the statement of issues and position papers of the parties, and the reconciliation. The Staff of the Commission shall have the primary responsibility for the proposed procedural schedule. Staff should coordinate the proposed schedule with Empire, the Office of the Public Counsel, and any intervenors where possible.

The Staff, Public Counsel, and all intervenors shall state their positions regarding Empire's true-up and test year proposals as hereinafter ordered. The test year is the 12-month period used to audit a company's books to determine the proper amounts of rate base, expenses and revenues to use in calculating a revenue requirement for a company. A resolution of the test year issue must be made early in the proceedings so that the

¹ See *In re Kansas City Power & Light Company*, 26 Mo. P.S.C. (N.S.) 104, 110 (1983).

parties' testimony can be reconciled to the same period. The test year involves an audit of all books and records of a company so that a total revenue requirement can be calculated.

All test year proposals shall include a specific 12-month period as a test year and should include any additional period for which a party has updated significant items from the test year. The test year with the additional period will be called a "test year as updated," or "updated test year."

In addition to a proposed test year or a proposed updated test year, a party may request isolated changes, such as those imposed by governmental bodies, as part of its case and the Commission will consider whether those isolated changes are known and measurable and whether they should be included in the company's revenue requirement. An issue to be considered in this determination is whether the proposed adjustment affected the matching of rate base, expenses, and revenue.

Notice of Empire's request will be issued and those wishing to intervene will be allowed 20 days from the date of this order to file requests to do so. The Commissions Data Center will be directed to serve a copy of this order upon the county commissions of each county in the company's service area and upon the mayor of any city, not within a county, in the company's service area. Additionally, the Commission's Public Information Office will be directed to make notice of this order available to the media serving the company's service area and to members of the General Assembly representing the residents of the company's service area.

THE COMMISSION ORDERS THAT:

1. The proposed electric service tariff sheets submitted on October 29, 2009, by The Empire District Electric Company, for the purpose of increasing rates for electric

service to customers are suspended for a period of 120 days plus six months from November 28 to September 28, 2010. The specific sheets suspended are:

P.S.C. MO. No. 5

Section A, 25th Revised Sheet No. 1, canceling 24th Revised Sheet No. 1
Section 1, 15th Revised Sheet No. 1, canceling 14th Revised Sheet No. 1
Section 2, 14th Revised Sheet No. 1, canceling 13th Revised Sheet No. 1
Section 2, 14th Revised Sheet No. 2, canceling 13th Revised Sheet No. 2
Section 2, 14th Revised Sheet No. 3, canceling 13th Revised Sheet No. 3
Section 2, 15th Revised Sheet No. 4, canceling 14th Revised Sheet No. 4
Section 2, 14th Revised Sheet No. 6, canceling 13th Revised Sheet No. 6
Section 2, 14th Revised Sheet No. 7, canceling 13th Revised Sheet No. 7
Section 2, 10th Revised Sheet No. 9, canceling 9th Revised Sheet No. 9
Section 2, 9th Revised Sheet No. 13, canceling 8th Revised Sheet No. 13
Section 3, 15th Revised Sheet No. 1, canceling 14th Revised Sheet No. 1
Section 3, 19th Revised Sheet No. 2, canceling 18th Revised Sheet No. 2
Section 3, 14th Revised Sheet No. 3, canceling 13th Revised Sheet No. 3
Section 3, 14th Revised Sheet No. 4, canceling 13th Revised Sheet No. 4
Section 3, 3rd Revised Sheet No. 6, canceling 2nd Revised Sheet No. 6
Section 3, 2nd Revised Sheet No. 7, canceling 1st Revised Sheet No. 7
Section 3, 2nd Revised Sheet No. 8, canceling 1st Revised Sheet No. 8
Section 3, 2nd Revised Sheet No. 9, canceling 1st Revised Sheet No. 9
Section 4, 7th Revised Sheet No. 7, canceling 6th Revised Sheet No. 7

2. Applications requesting intervention shall be filed not later than November 20, 2009, with:

Steven C. Reed
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102

and copies sent to:

James C. Swearengen
Brydon, Swearengen & England, P.C.
312 East Capitol Avenue
Post Office Box 456
Jefferson City, Missouri 65102

and

The Office of the Public Counsel
Post Office Box 2230
Jefferson City, Missouri 65102

3. The Empire District Electric Company shall file, no later than November 20, 2009, a pleading stating its recommendation concerning the proper test year for use in this case.

4. The Empire District Electric Company shall file any request for a true-up audit and hearing in a separate pleading concurrent with its test year recommendation.

5. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any potential intervenors shall file, no later than December 1, 2009 a response to The Empire District Electric Company's proposed test year either concurring with Empire or recommending an alternative test year.

6. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any potential intervenors shall file, no later than December 1, 2009, a pleading stating their recommendation concerning a true-up.

7. An early prehearing conference is hereby scheduled on December 11, 2009, at 9:00 a.m. The early prehearing conference shall be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the American with Disabilities Act. Any person who needs additional accommodation to participate in the prehearing should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the prehearing.

8. The parties shall file a procedural schedule as described in this order on or before 14 days after the early prehearing conference.

9. The Commission shall conduct local public hearings on the proposed rate increase and shall set the times, dates and locations of these local public hearings in a

subsequent order. The parties shall file, no later than December 11, 2009, recommendations as to the dates and locations for local public hearings.

10. The Office of the Public Counsel shall file a proposed customer notice no later than December 11, 2009. Any party may object to that proposed notice no later than December 18, 2009.

11. An evidentiary hearing is hereby scheduled for May 3 through May 14, 2010. The hearing shall commence at 8:30 a.m. on May 3. The evidentiary hearing shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodation to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

12. June 14-15, 2010, is reserved for a true-up hearing, in the event that such a hearing is requested and the Commission grants the request. The true-up hearing shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodation to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

13. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county affected by the tariff filing as pled by The Empire District Electric Company.

14. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the residents of the service area affected by the tariff as pled by The Empire District Electric Company.

15. The Staff of the Missouri Public Service Commission is hereby authorized to file a complaint seeking a reduction in the revenues of The Empire District Electric Company, if its audit reflects that the earnings are excessive. Any such complaint shall be filed in this case.

16. This order shall become effective upon issuance.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Kennard L. Jones, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 4th day of November, 2009.