

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 5<sup>th</sup> day of  
May, 2010.

In the Matter of the Application of The Empire District     )  
Electric Company for Authority to utilize Construction     ) **File No. EO-2010-0262**  
Accounting for its Investments Related to the Plum     )  
Point Power Generating Unit     )

**ORDER AUTHORIZING THE UTILIZATION OF  
CONSTRUCTION ACCOUNTING**

Issue Date: May 5, 2010

Effective Date: May 15, 2010

On March 23, 2010, The Empire District Electric Company ("Empire") filed an application for authority to use "construction accounting" for its investments related to the Plum Point Power Generating Unit.<sup>1</sup> The Commission issued notice and set an intervention deadline. No requests for intervention were filed and no party requested a hearing.

On April 27, 2010, the Commission's Staff recommended that the Commission approve Empire's request. Staff states that on February 25, 2010, a non-unanimous stipulation and agreement was filed in Empire's ongoing general rate increase request; File Number ER-2010-0130. That stipulation set out the circumstances under which Empire would file, and the signatory parties would not oppose, use of construction accounting for Empire's share of the investment in the Plum Point Generating Unit after Plum Point is

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<sup>1</sup> "Construction Accounting" is defined within the ER-2010-0130 Stipulation as "use of the same treatment for expenditures and credits with the accounting treatment prior to the time that an investment is found to be Fully Operational and Used for Service through the effective date of compliance tariffs filed in the next succeeding general rate case."

declared fully operational and used for service.<sup>2</sup> The Commission approved that stipulation and agreement on March 3, 2010. Staff states that this application is in conformity with the stipulation and agreement filed in ER-2010-0130.

After reviewing Empire's verified application and Staff's verified recommendation and memorandum, and having already approved the stipulation and agreement in ER-2010-0130, the Commission finds Empire's request to be reasonable and will approve it.

**THE COMMISSION ORDERS THAT:**

1. The Empire District Electric Company's application for authority to use construction accounting for its investments related to the Plum Point Power Generating Unit is granted.
2. This order shall become effective on May 15, 2010.
3. This file shall close on May 16, 2010

( S E A L )

**BY THE COMMISSION**



**Steven C. Reed**  
**Secretary**

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

Stearley, Senior Regulatory Law Judge

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<sup>2</sup> The ER-2010-0130 stipulation specifies that while the signatory parties will not oppose Empire's request for construction accounting for Plum Point investment, they are free to raise issues in Empire's next general rate case regarding Empire's calculation or methodology concerning construction accounting, as well as to seek appropriate rate treatment of any imprudent plant costs afforded construction accounting by Empire and costs associated with imprudent construction accounting treatment by Empire.