

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the True-Up of The Empire District)
Electric Company’s Fuel Adjustment Clause) **File No. EO-2014-0088**

STAFF RECOMMENDATION

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), by and through counsel, and for its recommendation respectfully states:

1. On October 1, 2013, The Empire District Electric Company (“Empire” or “Company”) filed direct testimony and supporting schedules supporting its eighth Fuel Adjustment Clause (“FAC”) true-up filing to identify the amount of over- or under-recovery of the FAC for a previous 6-month recovery period, as required by Commission Rules 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

2. Rule 4 CSR 240-20.090(5)(D) requires the Commission’s Staff to examine and analyze the information Empire has submitted and to submit a recommendation to the Commission not later than 30 days after Empire made its filing—in this case, no later than October 31, 2013.

3. As explained in Staff’s *Memorandum*, attached hereto as Appendix A and incorporated herein by reference, Staff recommends the Commission approve Empire’s eighth true-up filing for Recovery Period 8, during which Empire under-recovered \$231,592 from customers.

4. Staff reviewed and analyzed the direct testimony and supporting schedules of Empire witness Todd W. Tarter. Staff found that Empire’s calculations for the true-up amount, including interest, for Recovery Period 8 (billing months of

December, 2012 through May, 2013) are correct. The under-recovered amount, including accumulated interest, is included in Empire's calculation of its proposed current period Fuel Adjustment Rate ("FAR") amount included in the Company's Accumulation Period 10 (AP10) adjustment filing, also filed on October 1, 2013, in File No. ER-2014-0087.¹

5. Staff has verified that Empire has filed its 2012 annual report and is not delinquent on any assessment. Empire is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10), and its monthly reports as required by 4 CSR 240-3.161(5). With the exception of Empire's proposed current period FAR contained in its semi-annual FAC filing in File No. ER-2014-0087, Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

WHEREFORE, Staff submits its analysis and recommends that the Commission approve Empire's eighth true-up filing for Recovery Period 8 under the provisions of 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

¹ *In the Matter of The Empire District Electric Company for Authority to Implement Rate Adjustments Related to The Company's Fuel And Purchased Power Adjustment Clause (FAC) Required by 4 CSR 240-20.090(4)*, filed on October 1, 2013. In this case, Empire requested Commission approval of a tariff sheet to adjust rates for the FAC includable costs experienced during the six-month accumulation period (AP10).

Respectfully Submitted,

**STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION**

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered or transmitted by facsimile or electronic mail to all counsel of record this 31st day of October, 2013.

/s/ Robert S. Berlin _____

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. EO-2014-0088
The Empire District Electric Company

FROM: Matthew Barnes, Utility Regulatory Auditor IV

DATE: /s/ John A. Rogers 10/31/2013 /s/ Robert S. Berlin 10/31/2013
Energy Resource Analysis Unit / Date Staff Counsel's Office / Date

SUBJECT: Staff's Analysis of and Recommendation Concerning The Empire District Electric Company's Eighth Fuel Adjustment Clause True-up Filing Under the Provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

DATE: October 31, 2013

On October 1, 2013, The Empire District Electric Company ("Empire" or "Company") filed with the Missouri Public Service Commission ("Commission") in the form of direct testimony and supporting schedules by Todd W. Tarter, its eighth true-up filing under the provisions in 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5).

The true-up amount of \$231,592 identified in this filing is the result of an under-collection during Recovery Period 8 ("RP8") that includes the billing months of December 2012 through May 2013. RP8 is the recovery period for and following Accumulation Period 8 ("AP8") that includes the period of March 1, 2012 through August 31, 2012.

The \$231,592 true-up amount for RP8 is included in the calculation of the Fuel and Purchased Power Adjustment ("FPA") amount included in the Company's Accumulation Period 10 ("AP10") adjustment filing, also filed on October 1, 2013, in File No. ER-2014-0087, in compliance with Empire's FAC.¹

The Commission's Staff ("Staff") examined the direct testimony of Todd W. Tarter, the supporting schedules Empire provided with its application in this case, and the monthly information Empire has submitted to the Commission. Staff also reviewed Empire's monthly interest calculations; Staff agrees with them.

¹ The Empire District Electric Company's P.S.C. Mo. No. 5, Section 4, 6th Revised Sheet No. 17c tariff sheet: "TRUE-UP OF FPA: In conjunction with an adjustment to its FAR, the Company will make a true-up filing with and adjustment to its FAC on the first Filing Date that occurs after completion of each Recovery Period. The true-up adjustment shall be the difference between the FPA revenues billed and the FPA revenues authorized for collection during the true-up recovery period, i.e. the true-up adjustment. Any true-up adjustments or refunds shall be reflected in item T above and shall include interest calculated as provided for in item I above."

Based on its examination and analysis of information Empire filed and submitted in this case, Staff recommends the Commission approve Empire's RP8 true-up filing for the billing months December 2012 through May 2013 during which Empire under-collected \$231,592 from its customers for inclusion in the calculation of the FPA amount included in the Company's AP10 adjustment filing in File No. ER-2014-0087.

Staff has verified that Empire has filed its 2012 annual report and is not delinquent on any assessment. Empire is current on its submission of its Surveillance Monitoring reports as required in 4 CSR 240-20.090(10) and its monthly reports as required by 4 CSR 240-3.161(5). Staff is not aware of any other matter before the Commission that affects or is affected by this filing, except as noted herein.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

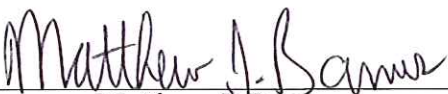
In the Matter of the True-Up of)
The Empire District Electric)
Company's Fuel Adjustment)
Clause)

File No. EO-2014-0088

AFFIDAVIT OF MATTHEW J. BARNES

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Matthew J. Barnes, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Matthew J. Barnes

Subscribed and sworn to before me this 31st day of October, 2013.

SUSAN L. SUNDERMEYER
Notary Public - Notary Seal
State of Missouri
Commissioned for Callaway County
My Commission Expires: October 03, 2014
Commission Number: 10942086



Notary Public