

**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 Rates for Electric            )            Case No. ER-2011-0004  
Service Provided to Customers in the            )  
Missouri Service Area of the Company.            )

**EMPIRE’S RATE CASE EXPENSE FILING**

COMES NOW The Empire District Electric Company (“Empire” or “Company”), by and through the undersigned counsel, and respectfully states as follows in response to the *Order Regarding True-Up Proceeding and Directing Filing* issued herein on April 19, 2011 (“Order”), by the Missouri Public Service Commission (“Commission”):

1. With its Order, the Commission directed Empire to “update the Commission on all of the expenses it has incurred in association with this rate case.” The Commission further ordered as follows:

No later than May 6, 2011, The Empire District Electric Company shall file a report updating the Commission on all actual expenses it has incurred in association with this rate case. Thereafter, The Empire District Electric Company shall file a report updating the Commission on all actual expenses it has incurred in association with this rate case no later than the first business day of each month. Empire shall file these monthly updates until this case is closed by the Commission.

2. As of April 30, 2011, Empire had paid and/or been billed for rate case expenses in the approximate amount of \$1,401,815. This amount does not include certain internal costs for the processing of the rate case, such as hours worked by Empire employees, although these costs are rate case expense items. Further, this amount does not include costs that have been incurred by Empire, but not billed to or paid by Empire as of April 30, 2011.

3. Of the approximately \$1,401,815 paid by and/or billed to Empire as of April 30, 2011, approximately \$153,000 is for attorneys’ fees specific to this Empire rate case,

approximately \$81,864 is for Empire's rate case consultants, and approximately \$1,157,000 is for the KCPL/Iatan prudence testimony.

4. Empire continues to incur legal fees, witness and consultant fees, and other costs as this rate case continues. Empire has prudently managed its rate case, mitigating rate case expense as much as possible. For example, because the Staff raised in this case the issue of Kansas City Power & Light Company's ("KCPL") prudence regarding the Iatan projects, Empire moved this Commission for an order admitting into the evidentiary record in this case the testimony and exhibits from Case No. ER-2010-0355 concerning the allegations of imprudence on the part of KCPL. The industrial intervenors in this matter objected to Empire's request, and, by order issued March 30, 2011, the Commission denied Empire's request. As a result, and in order to rebut the allegations of KCPL's alleged imprudence regarding the Iatan projects raised by Staff in this case, Empire, with the assistance of KCPL, filed portions of the Iatan prudence testimony admitted into evidence in Case No. ER-2010-0355 as rebuttal testimony in this case. Thereafter, in light of Staff's revised position on these issues, as set forth in the surrebuttal testimony of Staff witness Charles R. Hyneman, Empire asked the parties if they would be willing to waive the right to cross examine any or all of the KCPL prudence witnesses, but Staff counsel was unwilling to waive cross as to any of the KCPL prudence witnesses at this time.<sup>1</sup>

5. Empire will continue to seek to mitigate its rate case expenses, and, pursuant to the Order of the Commission, Empire will update the Commission on its rate case expenses on a monthly basis.

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<sup>1</sup> Of course, any allegations of imprudence on the part of Empire pertaining to the Iatan projects and related disallowances properly raised and preserved with regard thereto have always been, and would be, appropriate issues to be addressed in this Empire rate case.

