

**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)	Case No. ER-2010-0130
Rates for Electric Service Provided to)	
Customers in the Missouri Service Area)	
of the Company.)	

**JOINT LIST OF ISSUES AND ORDER OF CROSS-EXAMINATION,
AND REQUEST FOR ADDITIONAL TIME TO FILE ORDER OF WITNESSES**

COMES NOW the Staff of the Missouri Public Service Commission (“Commission”), and on behalf of all parties to this Case No. ER-2010-0130, respectfully submits this *Joint List of Issues and Order of Cross-Examination, and Request for Additional Time to File Order of Witnesses*:

The Commission’s *Order Approving Stipulation and Agreement and Approving Proposed Procedural Schedule*, issued March 3, 2010, directs that the parties file a joint list of issues, order of witnesses, and order of cross-examination document by April 26, 2010.

The following is a list of issues which remain contested as of this date and which the parties believe should be taken up at the evidentiary hearings in this matter scheduled for May 3-14, 2010:

The parties agree the listing of issues below is not an agreement by any party that any particular listed issue is, in fact, a valid or relevant issue, or is properly characterized.

This “non-binding” listing of issues is not to be construed as impairing any party’s ability to argue about any of these issues or related matters, or to restrict the scope of its response to arguments made by other parties.

I. REVENUE REQUIREMENT

A. Cost of Capital

1. Capital Structure: What capital structure should be used for determining Empire's cost of capital?

Empire: Sager
Empire: Gipson
Staff: Atkinson

2. Return on Common Equity: What return on common equity should be used for determining Empire's rate of return?

Empire: Vander Weide
Staff: Atkinson

B. Rate Base Issues

1. Employee Compensation (capitalized management incentive): Should Empire recover payroll costs for its management incentives by including same in rate base?

Empire: Harrington
Staff: Foster

2. Fuel Inventory: (a) Should the level of fuel inventory in rate base include the basemat inventory and, if so, what is the appropriate value to include? (b) Should generating unit outage days be included in the calculation for determining daily burn in the fuel inventory calculation?

Empire: Berkstresser
Staff: Foster

C. Income Statement – Revenue Issues

1. Weather Normalization and Unbilled Revenue: What model assumptions are appropriate for calculating the normal weather and unbilled revenue adjustment for the test year rate revenue?

Empire: Quan
Staff: Cecil
Staff: Lakhanpal

Staff: Wells

D. Income Statement – Expense Issues

1. Fuel/Purchased Power Expense: What is the appropriate level of fuel and purchased power expense to be included in cost of service?

Empire: Tarter
Empire: Keith
Staff: Foster
Staff: Lange
Staff: Maloney

2. Bad Debt Expense: Should an allowance for additional bad debt expense be made to recognize the additional revenue authorized as a result of this rate case?

Empire: Long
Staff: Harrison

3. EEI Dues: Should the costs associated with EEI dues be included in cost of service?

Empire: Long
Staff: Westhues

4. Remediation Costs: What is the appropriate level of maintenance and repair costs associated with infrastructure inspections to include in cost of service?

Empire: Walters
Staff: Harrison

5. Incentive Compensation: (a) What level of Empire’s payroll costs for its management incentives should be included in cost of service? (b) Should Empire’s payroll costs for its long-term equity incentives be included in cost of service? (c) Should Empire’s payroll costs for its “Lightning Bolts” payouts be included in cost of service?

Empire: Harrington
Staff: Foster

6. Dues and Donations: What level of dues and donations should be included in cost of service?

Empire: Long

Staff: Westhues

7. State Tax Flow Through: Should Empire be authorized to include in cost of service an amortization of its State Tax Flow Through regulatory asset?

Empire: Williams

Staff: Harrison

8. Rate Case Expense/Rate Case Expense Rider: (a) Should Empire be allowed to recover in this proceeding costs associated with prior rate cases? (b) Should the Commission authorize Empire to recover rate case costs and rate case appeal costs through a rate case expense rider mechanism?

Empire: Long

Staff: Westhues

OPC: Trippensee

II. ENERGY EFFICIENCY AND LOW-INCOME PROGRAMS

- A. Should Empire's Demand Side Management portfolio, consisting of both energy efficiency programs and a demand response program, remain the same in this rate case in accordance with Empire's Regulatory Plan?

Empire: McCormack

Staff: Warren

MDNR: Wolfe

- B. Should any changes be made to Empire's Experimental Low Income Program?

Empire: McCormack

Staff: Fred

Staff: Warren

OPC: Meisenheimer

MDNR: Wolfe

- C. Should Empire's Residential Conservation Service Rider be eliminated?

Empire: McCormack

Staff: Scheperle

- D. Should Empire be required to model two demand-side management program portfolios, with a goal of achieving annual electric energy (sales) and demand savings (peak) equivalent to 1% and 2% in its next integrated resource plan?

Empire: McCormack
Staff: Rogers
MDNR: Wolfe

III. RATE DESIGN

- A. Low-Income Residential Customers: Should a “very low income” residential class be established?

Empire: McCormack
Staff: Warren
OPC: Meisenheimer

- B. What rate levels should be established for the residential and small commercial customer charges?

Empire: Keith
Staff: Scheperle
OPC: Meisenheimer

IV. FUEL ADJUSTMENT CLAUSE

- A. Should the off-system sales margin, emission allowances, renewable energy credits, and AQCS consumables be flowed through the fuel adjustment clause?

Empire: Keith
Staff: Barnes

- B. What are the appropriate reporting requirements for Empire’s fuel adjustment clause?

Empire: Keith
Staff: Barnes

- C. What formula should be used to calculate the fuel adjustment mechanism?

Empire: Keith
Staff: Barnes

V. TARIFF CHANGES

- Should the Meter Treater Tariff be eliminated?

Empire: Emanuel

Empire: Long
Staff: Scheperle

VI. FAS 87 AND FAS 106 TRACKER LANGUAGE

What changes, if any, should be made to the existing FAS 87 and FAS 106 language?

Empire: Delano
Staff: Harrison

VII. VEGETATION MANAGEMENT AND INFRASTRUCTURE TRACKER

What changes, if any, should be made regarding the vegetation management / infrastructure tracker?

Empire: McGarrah
Empire: Mackey
Empire: Walters
Empire: Long
Staff: Harrison

VIII. Regulatory Plan Additional Amortizations

(a) Should Empire's revenue requirement in this case reflect the addition of regulatory plan additional amortizations? (b) If yes, how should the regulatory plan additional amortizations be calculated, and what amount is appropriate?

Empire: Sager
Staff: Oligschlaeger

LIST OF ISSUES – TRUE-UP

The following is a non-exhaustive list of issues which remain contested as of this date and which the parties believe should be taken up at the true-up hearings in this matter scheduled for June 28 – July 2, 2010:

- Plum Point unit train
- Plant in service and depreciation reserve, including Plum Point
- Plum Point materials and supplies
- Plum Point fuel inventory
- Other rate base items
- Fuel and purchased power expense (partial) including capacity and transmission charges

- Plum Point operating and maintenance expenses
- Payroll annualization
- Depreciation expense
- Stock issuance costs
- Plum Point property taxes
- Payroll taxes
- Capital structure/Debt rates

ORDER OF CROSS-EXAMINATION¹

Empire Witnesses

KCPL
DNR
MEUA
City of Joplin
Public Counsel
Staff

Staff Witnesses

KCPL
DNR
MEUA
City of Joplin
Public Counsel
Empire

Public Counsel Witnesses

KCPL
DNR
MEUA
City of Joplin
Staff
Empire

DNR Witnesses

KCPL
MEUA

¹ While this identifies a general order of cross-examination for use during the hearing, it is possible that the parties will suggest a different order from time to time in regard to specific issues.

City of Joplin
Public Counsel
Staff
Empire

KCPL Witnesses

DNR
MEUA
City of Joplin
Public Counsel
Staff
Empire

City of Joplin Witnesses

KCPL
DNR
MEUA
Public Counsel
Staff
Empire

Midwest Energy Users' Association ("MEUA") Witnesses:

KCPL
DNR
City of Joplin
Public Counsel
Staff
Empire

ORDER OF ISSUES AND WITNESSES

Discussions among the parties regarding the scheduling of specific issues and witness availability are still ongoing. Staff, on behalf of the parties, respectfully requests the filing of the Order of Issues and Witnesses be delayed until Wednesday, April 28, 2010.

WHEREFORE, the Staff respectfully submits this *Joint List of Issues and Order of Cross-Examination, and Request for Additional Time to File Order of Witnesses*, and requests the Commission allow until Wednesday, April 28, 2010 for the filing of the Order of Witnesses.

Respectfully submitted,

/s/ Sarah Kliethermes

Sarah Kliethermes
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mailed to all counsel of record this 26th day of April, 2010.

/s/ Sarah L. Kliethermes