

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

In the Matter of The Empire District Electric)
Company's Application to Modify its FAC)
Tariff)

File No. ER-2010-0275
Tracking No. YE-2010-0589

STAFF RECOMMENDATION TO APPROVE TARIFF SHEET

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), by and through counsel, and for its *Recommendation to Approve Tariff Sheet* states as follows:

1. On April 1, 2010, The Empire District Electric Company (“Empire”) filed a tariff sheet bearing a proposed effective date of June 1, 2010 to revise its Cost Adjustment Factors (CAF) of its Fuel Adjustment Clause (FAC). The filing was pursuant to the Commission’s *Report and Order* in Case No. ER-2008-0093, authorizing Empire’s FAC.

2. Commission Rule 4 CSR 240-20.090(4) provides that the Staff “shall submit a recommendation regarding its examination and analysis to the Commission not later than thirty (30) days after the electric utility files its tariff schedules to adjust its FAC rates.” Staff must determine if Empire’s proposed adjustment to the FAC is in accordance with 4 CSR 240-20.090, §386.266 RSMo, and the “FAC mechanism established in the most recent general rate proceeding.” *Id.*

3. Commission Rule 4 CSR 240-20.090(4) provides in part:

[T]he commission shall either issue an interim rate adjustment order approving the tariff schedules and the FAC rate adjustments within sixty (60) days of the electric utility’s filing or, if no such order is issued, the tariff schedules and the FAC rate adjustments shall take effect sixty (60) days after the tariff schedules were filed.

Empire has requested that Tariff Sheet No. 17c, filed April 1, 2010, include an effective date of June 1, 2010 - the first cycle of Empire's June billing month. Thus, the tariff sheet was filed with 61 days' notice. In approving the tariff sheet, Staff recommends the Commission issue an order approving specifically ordering the tariff sheet to become effective on June 1, 2010, as requested by Empire.

4. Empire's April 1, 2010 filing was also made under the provisions of 4 CSR 240-3.161(8) and 4 CSR 240-20.090(5) for "true-up" of its FAC, the results of which are incorporated into the revised CAF filed on the proposed tariff sheet.

5. In the attached Memorandum (Appendix A), the Staff recommends that the Commission issue an interim rate adjustment order approving Empire's Tariff Sheet, P.S.C. MO. No. 5, 3rd Revised Sheet No. 17c Cancelling 2nd Revised Sheet No. 17c, as filed on April 1, 2010, to become effective June 1, 2010, subject to true-up and prudence reviews.

6. The Staff's review shows KCP&L – GMO's filing is in compliance with §386.266 RSMo, 4 CSR 240-20.090, and the Case No. ER-2008-0093 *Report and Order*. The Staff recommends that the Commission issue an interim rate adjustment order approving Empire's proposed tariff sheet, subject to true-up and prudence reviews.

WHEREFORE, the Staff recommends that the Commission issue an interim rate adjustment Order approving Empire's Tariff Sheet, P.S.C. MO. No. 5, 3rd Revised Sheet No. 17c Cancelling 2nd Revised Sheet No. 17c, as filed on April 1, 2010, to become effective June 1, 2010, subject to true-up and prudence reviews.

Respectfully submitted,

/s/ Sarah Kliethermes
Sarah L. Kliethermes
Legal Counsel
Missouri Bar No. 60024

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-6726 (Telephone)
(573) 751-9285 (Fax)
sarah.kliethermes@psc.mo.gov

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