

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

In the Matter of the Application of The)	
Empire District Electric Company for)	
Authority to Sell Approximately 35 Miles)	<u>File No. EO-2015-0172</u>
Of a 161 kV Transmission Line to)	
Westar Energy Inc.)	

STAFF REPLY TO COMMISSION ORDER AND EMPIRE RESPONSE

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, in reply to the Missouri Public Service Commission's February 25, 2015 Order Setting Deadline For Reply and The Empire District Electric Company's ("Empire") February 25, 2015 Response To Staff Recommendation. For its reply, the Staff states as follows:

1. On January 19, 2015, the Staff filed its Memorandum Recommendation in File No. EO-2015-0172 in which, among other things, it recommended that the Commission authorize the sale of Empire's 35 miles of the 161 kV Litchfield Transmission Line to Westar Energy Inc. ("Westar"), pursuant to Section 393.190.1 RSMo. 2000, and 4 CSR 240-2.060, 4 CSR 240-3.110, and 4 CSR 240-4.020(2)(B), at a net book value of \$1,611,734.61.

2. On February 25, 2015, Empire filed in File No. EO-2015-0172 a Response To Staff Recommendation in which Empire stated that, although Empire agrees to the Staff's calculation of \$1,611,734.61 as the net book value of Empire's 35 miles of the 161 kV Litchfield Transmission Line at the time of the Staff's calculation, the net book value will change. Empire stated the net book value will be different at the closing date of the transaction if for no other reason than the further accumulation of depreciation reserve. Empire has indicated to the Staff that possible other reasons the net book

value will change by the closing date of the sale are the replacement of a pole(s) or road move work related to the transmission line.

3. The Staff agrees with Empire's Response To Staff Recommendation that Empire should be authorized to sell the 35 miles of the 161 kV Litchfield Transmission Line to Westar at the net book value of \$1,611,734.61, as adjusted at the closing date of the sale. As a consequence, in addition to this amended recommendation and the other recommendations in the Staff's February 19, 2015, filing, Empire should be directed to supply the Staff with the workpapers used to calculate the final net book value of the 35 miles of the 161 kV Litchfield Transmission Line so that the Staff may review changes at the closing date related to the plant balances in question.

WHEREFORE, the Staff files its *Staff Reply To Commission Order And Empire Response* clarifying that it is the Staff's recommendation that the Commission should authorize Empire to sell the 35 miles of the 161 kV Litchfield Transmission Line to Westar at the net book value of \$1,611,734.61, as adjusted at the closing date of the sale, and Empire should be directed to provide the Staff with the workpapers Empire used to calculate the final net book value.

Respectfully submitted,

/s/ Steven Dottheim

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Staff Reply To Commission Order And Empire Response* was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 27th day of February, 2015, on the parties of record as set out on the official Service List maintained by the Data Center of the Missouri Public Service Commission for this case.

/s/ Steven Dottheim