

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

In the Matter of the Sixth Prudence Review of)
Costs Subject to the Commission-Approved)
Fuel Adjustment Clause of The Empire District)
Electric Company.)

Case No. EO-2017-0065

STAFF'S SIXTH PRUDENCE AUDIT REPORT

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and submits Staff's Sixth Prudence Audit Report of the costs subject to the fuel adjustment clause ("FAC") of The Empire District Electric Company ("Empire"). As a result of its prudence review of FAC costs, the Staff has identified no evidence of imprudence on the part of Empire and, in support thereof, states as follows:

1. On September 6, 2016, the Staff filed *Staff's Notice of Start of Sixth Prudence Audit* ("Notice") informing the Commission that it had begun its audit of the costs subject to Empire's FAC. The next day the Commission issued its *Order Directing Notice, Acknowledging Automatic Parties, And Establishing Deadlines For Intervention And For Requesting a Hearing* ("Order"). The Order required Staff's audit report to be filed no later than February 28, 2017.

2. Staff's Notice set forth a plan for examining and analyzing the costs and revenues associated with Empire's commission-approved FAC for the period March 1, 2015, to August 31, 2016. This audit period corresponds to the fourteenth through sixteenth sequential FAC accumulation periods since the Commission first authorized an FAC for Empire.

3. The Staff has completed its prudence audit and provides a detailed discussion of its findings in Staff's *Sixth Prudence Review of Costs Related To The Fuel*

Adjustment Clause For The Electric Operations Of The Empire District Electric Company ("Prudence Audit Report") attached as **Appendix A** in Highly Confidential and Public formats. As a result of its prudence audit, and as more fully explained in the Prudence Audit Report, the Staff identified no instances of imprudence on the part of Empire during the period of review.

WHEREFORE, the Staff of the Missouri Public Service Commission prays the Commission accept its Prudence Audit Report of Empire.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Deputy Staff Counsel
Missouri Bar No. 51709
Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
bob.berlin@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 28th day of February 2017.

/s/ Robert S. Berlin