

**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-2011-0095
Tracking No. YE-2011-0176

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 October 1, 2010, The Empire District Electric Company (“Empire”) filed a tariff sheet bearing a proposed effective date of December 1, 2010, to revise its Cost Adjustment Factors (CAF) of its Fuel Adjustment Clause (FAC). The filing was pursuant to the Commission’s *Reports and Orders* in Case Nos. ER-2008-0093, authorizing Empire’s FAC, and ER-2010-0130, authorizing Empire’s continued use of an 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.

4. In the attached Memorandum (Appendix A), the Staff recommends that the Commission issue an interim rate adjustment to either allow the tariff sheet to become effective by operation of law, or enter an order approving Empire's Tariff Sheet, P.S.C. MO. No. 5, 5th Revised Sheet No. 17c Cancelling 4th Revised Sheet No. 17c, as filed on October 1, 2010, to become effective December 1, 2010, subject to true-up and prudence reviews.

5. The Staff's review shows Empire's filing is in compliance with §386.266 RSMo, 4 CSR 240-20.090, and the Case Nos. ER-2008-0093 and ER-2010-0130 *Reports and Orders*.

WHEREFORE, the Staff recommends that the Commission either allow to become effective by operation of law, or issue an interim rate adjustment Order approving, Empire's Tariff Sheet, P.S.C. MO. No. 5, 5th Revised Sheet No. 17c Cancelling 4th Revised Sheet No. 17c, as filed on October 1, 2010, to become effective December 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, or transmitted by facsimile or electronic mail to all counsel of record this 29th day of October, 2010.

/s/ Sarah L. Kliethermes