

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

In the Matter of The Empire)	
District Electric Company's Request)	<u>Case No. ER-2016-0023</u>
For Authority to Implement a General)	Tracking No.: YE-2016-0104
Rate Increase for Electric Service)	

RECONCILIATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and hereby files the attached *Reconciliation* in satisfaction of the Commission's *Order Setting Procedural Schedule* issued herein on December 16, 2015.

Respectfully submitted,

/s/ Kevin A. Thompson

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Missouri Public Service Commission

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served, by hand delivery, electronic mail, or First Class United States Mail, postage prepaid, to all parties of record on the Service List maintained for this case by the Data Center of the Missouri Public Service Commission, on this 18th day of May, 2016.

/s/ Kevin A. Thompson

Empire District Electric Company
ER-2016-0023
Revenue Requirement Reconciliation
April 8, 2016

Line No.			
1	Company Revenue Requirement Per Reconciliation		33,397,349
2	Unreconciled Difference (due to Rounding)		14
3	Company Revenue Requirement		33,397,363
4			
5	Rate of Return & Capital Structure		
6	Value of Capital Structure Issue - Staff / Company	(490,130)	
7	Capital Structure impact on Interest Expense Deduction	3,297,569	
8	Rev. Req. Value of Return on Equity	(1,709,826)	
9	Sub-Total Rate of Return and Capital Structure Differences		\$1,097,612
10			
11	Rate Base Issues :		
12	Riverton 12	(19,524,865)	
13	Large Vehicle Purchase	(355,468)	
14	Plant not at Issue	911,569	
15	Depreciation Reserve not at issue	(1,111,042)	
16	Cash Working Capital	(26,345)	
17	Materials and Supplies	93,068	
18	Prepayments	(241,701)	
19	Fuel Inventory	260,979	
20	Vegetation/Infrastructure Trackers	154,766	
21	May 2011 Tornado Storm Deferral	(378,877)	
22	Regulatory Asset/Carrying Costs-Iatan 1	(112,800)	
23	Regulatory Asset/Carrying Costs-Iatan 2	(901,539)	
24	Regulatory Asset/Carrying Costs-Plum Point	(5,654)	
25	O&M Tracker Iatan-Common	204,970	
26	DSM/Pre-MEEIA Costs	26,878	
27	Peoplesoft Costs ER-2011-0004	(3,612)	
28	Pension Tracker	56,594	
29	MO Solar Initiative	(217,335)	
30	Asbury/Riverton Reserve Deficiency	(1,172,726)	
31	Prepaid Pension Asset	(108,793)	
32	Federal Tax Offset	87,829	
33	State Tax Offset	(16,550)	
34	Interest Expense Offset	76,484	
35	Fuel Construction Accounting	943,630	
36	OPEB Tracker	53,249	
37	Customer Advances	(25,443)	
38	Customer Deposits	(29,113)	
39	Deferred Income Taxes-Accumulated	(2,338,678)	
40	Plum Point O&M ER-2011-0004 Tracker	(89,140)	
41	SWPA Capacity Loss Reimbursement	77,720	
42	Iatan 2 O&M ER-2011-0004 Tracker	(136,886)	
43	Amortization from Intangibles	199,119	
44	Sub Total - Rate Base Issues		(\$23,649,713)
45			
46	Income Statement - Revenue Issues		
47	Booked Revenue - Unadjusted	8,878,328	
48	Include Excess Facilities	(2,384,382)	
49	Annualize and Normalize Large Customer Growth	724,284	
50	Adjust for Customers Who Switched Rate Classes	(758,493)	
51	Adjust Energy Efficiency Pre-MEEIA	(1,472,923)	
52	Normalize Weather to a 30-Year Normal and 365-Day Consumption	4,906,632	
53	Annualize Rate Case	4,083,525	
54	Annualize and Normalize Revenues for Customer Growth	809,377	
55	Adjust REC's	(75,116)	
56	Normalize SPP Transmission Revenue	(3,323,301)	
57	Adjust Rent for from Electric Property	(123,113)	
58	To remove Missouri non-jurisdictional revenue	1,916,745	
59	Sub Total - Revenue Adjustments		13,181,563
60			
61	Income Statement - Expense Issues		
62	Test Year Allocation Differences	(1,573,025)	
63	Fuel/Purchased Power Expense	(6,348,694)	
64	Annualize Plum Point Entergy Transmission Contract Expense	123,274	
65	Annualize Postage Expense	(7,884)	
66	Normalize Bad Debt Expense	(39,266)	

67	True-Up Construction Amortization for Iatan/Plum Point	53,978	
68	Normalize Outside Services	(187,875)	
69	Annualize Insurance	(130,095)	
70	Normalize Depreciation Study Expense	(3,773)	
71	Reflect Annualized PSC Assessment Fee	219,413	
72	Normalize Rate Case Expense	(97,487)	
73	Normalize Line Loss Study	(2,487)	
74	Remove Costs Related to EDI	(1,034,932)	
75	Normalize SPP Transmission Expense	(597,685)	
76	Normalize Injuries and Damages on Actual Payments	(114,573)	
77	Adjust Test Year 401k Expense to Staff's Annualized Level	(69,138)	
78	Interest on Customer Deposits	434,192	
79	Annualize Employee Benefits	432,261	
80	Adjust Test Year Consumables Level	(520,013)	
81	Adjust DSM Programs	(250,000)	
82	Annualize Software Maintenance Expense	(150,388)	
83	Payroll Annualization	(4,037,154)	
84	Pensions & OPEBS	(397,145)	
85	Plant Maintenance & Operating Expense	1,977,558	
86	Riverton 12 Tracker	(3,900,000)	
87	Workman's Compensation Annualization	27,016	
88	Amortize Vegetation Tracker Over Five Years	254,853	
89	Remove A&G Expenses Related to Water	(394,681)	
90	Remediation & Inspection Expense	112,175	
91	Annualize Construction Accounting	1,210	
92	Depreciation Expense	(2,967,726)	
93	Amortization Expense	(1,121,635)	
94	Taxes Other Than Income Taxes	(1,501,641)	
95	Annualize Payroll Taxes	(174,442)	
96	Total Oper. & Maint. Expense		(21,985,808)
97			
98	Impact on Income Tax Expense of Depreciation Difference	103,751	
99	Sub Total - Expense Adjustments		103,751
100			
101	Tax Depreciation in Excess of S/L	(3,482,638)	
102	Nondeductible Expenses	21,945	
103	Intangible Amortization	220,725	
104	Tax Depreciation in Excess of S/L	3,482,638	
105	Corporate Deferred Taxes (Rate Base Impact)	(61,956)	
106	Amortization of Deferred Income Tax	(971,731)	
107	Total of Deferred Tax & Amortization		(791,018)
108	Total Value of All Issues		(\$32,043,613)
109	Unreconciled Difference-due to Rounding		(\$3,865)
110	Staff Revenue Requirement		\$1,349,885