

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 16th day of
September, 2015.

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

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File No. EO-2015-0214

**ORDER APPROVING STAFF'S PRUDENCE AUDIT REPORT AND
RECOMMENDATION**

Issue Date: September 16, 2015

Effective Date: September 28, 2015

On March 5, 2015, the Commission's Staff filed a notice indicating that on March 2, 2015, it started its prudence audit of Empire's Fuel Adjustment Clause (FAC) for the period March 2, 2014, through February 28, 2015.¹ Commission Rule 4 CSR 240-20.090(7) requires Staff to file its recommendation no later than 180 days after it initiates the audit. Pursuant to the same rule, other parties to the case have 190 days after initiation of the audit to request a hearing; otherwise, the Commission must issue an order within 210 days of Staff initiating an audit.

On August 31, 2015, Staff filed its Prudence Audit Report and Recommendation, examining whether Empire prudently incurred the fuel and purchased power costs and off-system sales revenues associated with its FAC. No party requested a hearing within the time allowed by regulation, so the Commission may now consider Staff's report and recommendation.

¹ Pursuant to Section 386.266.4(4) RSMo (Cum.Supp. 2013), a prudence review of Empire's FAC costs must occur no less frequently than at eighteen-month intervals.

In evaluating prudence, Staff reviewed whether a reasonable person would find that both the information Empire relied on, and the process Empire employed when making the decision under review, were reasonable based on the circumstances at the time the decision was made, i.e., without the benefit of hindsight. During its review, Staff found no evidence of imprudence by Empire.

The Commission finds Staff's report and recommendation regarding its prudence review of Empire's fuel and purchased power costs and off-system sales revenue associated with its FAC to be reasonable, and will approve it.

Because no one has contested Staff's report and recommendation, and because the regulation requires a prompt decision, the Commission will make this order effective in less than thirty days.

THE COMMISSION ORDERS THAT:

1. Staff's Fifth Prudence Audit Report and Recommendation regarding the costs subject to The Empire District Electric Company's fuel adjustment clause is approved.
2. This order shall become effective on September 28, 2015.
3. This file shall be closed on September 29, 2015.



BY THE COMMISSION

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, Rupp
and Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge