

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

In the matter of The Empire District Electric)
Company of Joplin, Missouri for Authority to File)
Tariffs Increasing Rates for Electric Service)
Provided to Customers in the Missouri Service)
Area of the Company.)

Case No. ER-2011-0004

FIRST TRUE-UP RECONCILIATION

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), by and through Staff Counsel Office, and states as follows:

1. Please find filed herewith the Staff’s First True-up Reconciliation.
2. This Reconciliation is based on a comparison of Staff’s revenue requirement positions taken as of the filing of its true-up direct testimony on May 6, 2011, with a quantification of the differing positions taken to date by other parties to this proceeding. These valuations are likely to change as the case progresses.
3. Pursuant to Commission order, a Second True-up Reconciliation will be filed on May 27, 2011.

WHEREFORE, Staff respectfully submits this First True-up Reconciliation.

Respectfully submitted,

/s/ Sarah Kliethermes
Sarah L. Kliethermes
Associate Counsel
Missouri Bar No. 60024

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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 18th day of May, 2011.

/s/ Sarah Kliethermes

Empire District Electric Company
ER-2011-0004
Revenue Requirement Reconciliation
May 18, 2011

	Staff	OPC
1 Empire District Electric Revenue Requirement	\$ 29,940,823	
2		
3 Rate of Return & Capital Structure:		
4 Capital Structure Issue - Staff Debt Disallowance	\$ (179,210)	
5 Capital Structure Impact on Interest Expense Deduction	\$ 251,782	
6 Rev. Req. Value of Return on Equity	\$ (12,495,498)	
7		
8 Rate Base Issues:		
9 Iatan AQCS Plant Disallowance	\$ (21,558)	
10 Iatan 2 Plant Disallowance	\$ (293,101)	
11 Employee Compensation (capitalized management incentive)	\$ (46,226)	
12 Cash Working Capital	\$ (86,078)	
13 FAS 106 Regulatory Asset Tracker	\$ (124,735)	
14 Fuel Inventory	\$ (3,074)	
15 Vegetation/Infrastructure Trackers	\$ 2,369	
16 Regulatory Asset/Iatan Carrying Costs	\$ (398,495)	
17 Regulatory Asset/Demand Side Management	\$ (46,155)	
18 Prepaid Pension Asset	\$ (340,281)	
19 Deferred Income Taxes - FAS 123 and Iatan Disallowances	\$ (75,394)	
20 SWPA Capacity Loss Reimbursement	\$ 99,071	
21 SWPA Capacity Loss Reimbursement Deferred Tax Asset		(1,063,311)
22		
23 Income Statement - Revenue Issues:		
24 Reclassify Emission Allowances (SO2) to Operating Income	\$ 1,462	
25 Other Revenue Issues	\$ (334,128)	
26		
27 Income Statement - Expense Issues:		
28 Fuel/Purchased Power Expense	\$ (2,223,169)	
29 Normalize Bad Debt Expense	\$ (370,381)	\$ (96,937)
30 Rate Case Expense	\$ (460,311)	\$ (30,304)
31 Remediation Expense	\$ (261,932)	
32 Payroll Annualization (Incentive Compensation)	\$ (1,468,592)	
33 Pensions & OPEBS	\$ (855,450)	
34 401(k) (Incentive Compensation)	\$ 44,378	
35 Depreciation Expense	\$ (2,053,687)	
36 Other Amortization Expense Differences	\$ (46,358)	
37 DSM Amortization Expense	\$ (706,401)	
38 Iatan Carrying Costs Amortization Expense	\$ (140,338)	
39 Property Taxes	\$ (286,169)	
40 Payroll Taxes	\$ 84,270	
41 Written-Off/Non-Recurring Costs		\$ (616,035)
42 2007 Ice Storm Amortization		(1,850,928)
43		
44 Impact on Income Tax Expense of Depreciation Difference	\$ 454	
45		
46 Total Differences	\$ (22,832,936)	\$ (3,657,515)
47 Unreconciled Difference-due to Rounding	\$ (322)	
48		
49 Staff/OPC Revenue Requirement	\$ 7,107,566	\$ 3,450,051