



July 31, 2015

VIA ELECTRONIC FILING

Mr. Morris L. Woodruff
Secretary
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

RE: File No. EO-2013-0547

Dear Judge Woodruff:

The Empire District Electric Company (Empire) filed its most recent integrated resource plan (IRP) in Missouri in July 2013, in File No. EO-2013-0547 (2013 IRP). Empire's most recent IRP Annual Update Report was filed in March 2015, in File No. EO-2015-0216 (2015 IRP Annual Update). In accordance with Missouri Public Service Commission (Commission) Rule 4 CSR 240-22.080 (12), this letter is submitted to inform the Commission of changes in the timing of supply-side resource retirements contained in Empire's preferred plan, and the withdrawal of its Missouri Energy Efficiency Investment Act (MEEIA) Application in File No. EO-2014-0030, which was also included as a component of Empire's preferred plan.

Supply-Side Resource Retirements

As of June 30, 2015, Empire's Riverton Units 8 & 9 were officially retired from service. At the time of retirement, Unit 8 was rated at 54 megawatts and was about 61 years old, while Unit 9—a small combustion turbine that required steam from the Unit 8 boiler for start-up—was rated at 12 megawatts and was about 51 years old. Unit 8 had operated as a small coal unit for many years before being transitioned to full operation on natural gas in September of 2012. Since its transition from coal to natural gas only operation, it had not operated for system load.

Following an assessment of their operating condition, a decision was made to retire these units to avoid making significant investments required to continue their operation. In the 2013 IRP, these units were scheduled to retire with the mid-2016 in-service date of the Riverton Unit 12 Combined Cycle unit. Retirement at this time was determined to be the most cost effective option for the reasons stated above.

Withdrawal of MEEIA Application

Following the filing of the 2013 IRP, Empire made a MEEIA application filing, on October 29, 2013, seeking approval of the energy efficiency portfolio included in Empire's preferred plan. As filed, Empire's MEEIA application included an updated and expanded energy efficiency portfolio, an increased energy efficiency budget, and a proposed demand-side cost recovery mechanism. An Order Granting the Motion to Suspend Procedural Schedule in the MEEIA case was issued on January 14, 2014, to allow for additional discussions between Empire and its stakeholders. During various discussions with stakeholders, cost-effectiveness, implementation schedules, portfolio composition, program goal achievement, demand-side

investment mechanisms, and other issues were addressed. However, these discussions did not result in a resolution of the issues raised by the MEEIA stakeholders. After Empire's 2015 IRP Annual Update Workshop, the Staff of the Commission (Staff) filed comments in File No. EO-2015-0216 on May 1, 2015, recommending that Empire notify the Commission (as required by 4 CSR 240-22.080(12)) that it had decided to alter its adopted preferred resource plan [from the 2013 IRP] to exclude the implementation of a MEEIA plan as part of Empire's 2014 – 2016 implementation strategy. On July 24, 2015, Empire filed a motion to withdraw its MEEIA application.

Pursuant to the Commission-approved agreement in Empire's recent rate case, File No. ER-2014-0351, Empire will continue to offer its portfolio of pre-MEEIA energy efficiency programs to its eligible Missouri retail customers until Empire has an approved MEEIA program or until the effective date of rates in Empire's next general rate case. Empire will consider the possibility of filing a future MEEIA application after review of the 2016 IRP study.

Commission Rule 4 CSR 240-22.080(12) requires notification when a utility's business plan or acquisition strategy has become "materially inconsistent with the preferred resource plan." Empire does not view these changes in the timing of resource retirements or the withdrawal of the MEEIA Application as materially inconsistent with its preferred plan for the reasons specified above, but has chosen to notify the Commission and IRP stakeholders in an abundance of caution.

Because of the continuation of Empire's pre-MEEIA energy efficiency programs and because Riverton Units 8 & 9 had not operated for load in the past few years, no change to the preferred plan or acquisition strategy is required at this time. Supply-side and demand-side resources will be reexamined in the new IRP that will be filed with the Commission in 2016.

If you have any questions concerning this matter, please feel free to contact me.

Sincerely,



Todd Tarter
Manager of Strategic Planning
The Empire District Electric Company

Cc: Parties to Commission File No. EO-2013-0547