

**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) **File No. ER-2012-0345**
Rates for Electric Service Provided to)
Customers in the Missouri Service)
Area of the Company.)

**LIST OF ISSUES AND
ORDER OF WITNESSES, CROSS, AND OPENINGS**

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”) and
on behalf of the parties to this matter, proposes the indicated items as follows:

List of Issues, Order of Witnesses, and Hearing Schedule

Tuesday morning

Opening statements
Policy

Wednesday morning

I. RATE OF RETURN

- A. What value for the return on equity should the Commission use to determine Empire’s rate of return in the revenue requirement used to set rates in this case? (Vander Weide; Gorman; Atkinson)

- B. What capital structure should the Commission use to determine the rate of return included in the revenue requirement used to set rates in this case? (Vander Weide; Sager; Gorman; Atkinson)

- C. What is the appropriate cost of debt? (Sager; Atkinson)

Wednesday afternoon

II. RATE BASE

A. Iatan Plant

1. Should the disallowances ordered by the Commission in Case Nos. ER-2010-0355 and ER-2010-0356 with regard to Kansas City Power & Light and KCPL – Greater Missouri Operations also be ordered against Empire’s Iatan plant balances? (Mertens; McMellen)
2. Should carrying costs be adjusted? (Mertens; McMellen)

B. Depreciation Reserve – Iatan Adjustments

Should the disallowances ordered by the Commission in Case Nos. ER-2010-0355 and ER-2010-0356 be made against Empire’s Iatan plant balances? (Mertens; McMellen)

C. Joplin Tornado O&M Asset

Should the Joplin tornado O&M asset be included in rate base? (Keith; Bolin; Robertson)

Thursday morning

D. Maintenance Normalization Adjustments at Empire generation units

What is the appropriate normalization period or method of normalization for Empire’s generation units? (Mertens; Foster)

E. Asbury Unit Train

1. Was Empire’s sale of the Asbury unit train properly booked by Empire? (Sager; Robinett)
2. Were the lease proceeds associated with the Asbury unit train properly booked? (Sager; Robinett)
3. Did Empire properly book depreciation expense after the retirement of the Asbury unit train, but prior to Empire’s next rate case? (Sager; Robinett)

Thursday afternoon

F. Cash Working Capital (CWC)

What Billing lag should be used to adjust the overall Revenue lag for purposes of CWC? (Land; Harrison; Rackers)

Should fuel purchased power and cash vouchers be treated as prepayments, or reflected in the CWC calculation, or both? (Land; Rackers)

III. STATEMENT OF OPERATING INCOME

A. Fuel and Purchased Power

1. Net Base Fuel and Purchased Power Costs

(a) What amount of off-system sales revenue should be included in Empire's net base fuel and purchase power costs included in the revenue requirement used to set rates in this case? (Keith, Green, Rackers)

(b) What amount of REC revenue and certain post process fuel run adjustments should be included in net base fuel and purchased power costs included in the revenue requirement used to set rates in this case? (Keith, Tarter, Green)

(c) What amount of Plum Point demand charges should be included in net base fuel and purchased power costs included in the revenue requirement used to set rates in this case? (Tarter, Barnes, Foster)

Friday morning

2. FAC Tariff

(a) Should Empire be permitted to flow any SPP transmission costs and revenues through its FAC? (Keith, Barnes, Oligschlaeger, Beck, Rackers)

(b) If so, which SPP transmission costs and revenues should flow through Empire's FAC?

(c) Should Empire be required to make changes to its FAC tariff sheets to make the provisions of Empire's FAC more consistent with the FACs currently in place for other Missouri investor-owned electric utilities? If so, what changes should be made to Empire's FAC tariff sheets? (Keith, Barnes)

Friday afternoon

3. SPP Transmission Tracker

(a) If the Commission determines that Empire should not be permitted to flow SPP transmission costs and revenues through its FAC, should those transmission costs and revenues be deferred in a transmission cost and revenue tracker using the true-up test year amounts of those charges and revenues as the base against which changes will be tracked, with amounts above the base booked to a regulatory asset and amounts below the base booked to a regulatory liability? (Keith, Oligschlaeger, Beck, Rackers, Robertson)

(b) If the Commission determines that Empire should be permitted to defer changes in transmission costs and revenues through a tracker, should any conditions apply to that tracker? If so, what conditions should apply? (Keith, Oligschlaeger; Robertson)

Monday morning

B. SPP Integrated Market Costs

Should test year costs incurred by Empire to prepare for and participate in the SPP Integrated Marketplace be included in the revenue requirement used to set rates in this case, or should some or all of those costs be deferred for consideration in a future rate case? (Mertens, Rackers, McMellen)

Monday afternoon

C. Rate case expense

Were prior rate case expenses amortized or normalized; if they were amortized, should Empire be allowed to recover the unamortized portion of prior rate case expenses? (Keith; Bolin; Roth)

D. Advertising

Should the costs of certain radio and TV advertisements be categorized as “general?” (Green; Land)

E. Outside services

What is the appropriate level of outside services expense? (Keith; Green; Rackers)

F. Property Insurance expense

What insurance policy should be used in the calculation of property insurance expense? (Keith; Bolin)

G. Banking Fees

Should fees to secure short-term debt be expensed or capitalized? (Sager; McMellen; Rackers)

Tuesday morning

H. Payroll and Benefits - Incentive Compensation

1. What level of cash incentives based on performance goals should be included in the cost of service? (Walters; McMellen; Rackers)

2. Should executive stock awards included? (Walters; McMellen; Rackers)

3. Should lightning bolts be included? (Walters; McMellen; Rackers)

I. Dues and Donation – Including EEI Dues

What amount of test year dues and donations, including EEI dues, should be included in the revenue requirement used to set rates in this case? (Green; Keith; Addo)

J. Depreciation and Amortization

What are the appropriate depreciation rates? (Sullivan; Robinett)

K. Riverton Amortization

Should the Commission order an amortization associated with the projected retirements of Riverton 7 and 8? (Sullivan; Robinett; Robertson)

L. Taxes

1. Property tax

What amount of property tax expense should be included in the revenue requirement used to set rates in this case? (McMellen; Rackers; Williams)

2. Current & Deferred income taxes

(a) Should an adjustment be made related to state income tax flow through for prior years? (Sager; Oligschlaeger)

(b) Should an adjustment be made for cost of removal tax issues related to prior years? (J. Warren; Sager; Oligschlaeger)

M. Iatan/Plum Point Trackers

1. What is the appropriate base cost to be built into rates? (Keith; Foster)
2. What FERC accounts should be included in the tracker? (Keith; Foster)

Tuesday afternoon

N. Bad Debt Expense

1. What level of bad debt expense should be included?
2. Should the revenue requirement be factored up for bad debts?

O. Pay Station Fees

Should pay station fees be paid directly by the user at the time of the transaction or included in Empire's revenue requirement?

P. Vegetation Management Tracker

1. What is the proper level of expense? (Harrison; Walters)
2. What is the proper base level to be used in the tracker? (Harrison; Walters)

Q. Corporate franchise tax

Should the lower rate for 2013 corporate franchise taxes be included in Empire's revenue requirement? (Rackers; Williams)

Wednesday morning

IV. RATE DESIGN

A. Rate Design & Class Cost of Service

1. Does Staff's revenue proof contain Staff normalized billing units? If not, what adjustment should be made? (Keith; Scheperle)
2. What is the appropriate customer charge for the Residential class? (Scheperle; Meisenheimer)
3. What is appropriate per-class rate increase for this case? (Scheperle; Meisenheimer; Brubaker)

Wednesday afternoon

B. DSM Cost Recovery

1. Should pre-MEEIA DSM programs be set forth on a separate tariff? (Scheperle; Meisenheimer; Brubaker)
2. Should pre-MEEIA DSM program costs be shown on a separate line item on customer bills? (Scheperle; Meisenheimer; Brubaker)
3. How should the pre-MEEIA DSM revenue requirement be grossed up? (Scheperle; Meisenheimer; Brubaker)
4. How should the pre-MEEIA DSM revenue requirement be allocated among Empire's customer classes? (Scheperle; Meisenheimer; Brubaker)

C. Other Rate Design Issues:

1. Low Income Weatherization

- (a) Should the maximum and average per-unit amount be eliminated? (Keith; Warren; Bickford)
- (b) Should Staff's recommended tariff language revision be implemented? (Keith; Warren; Bickford)

2. LED Street and Area Lighting

Within twelve months of the effective date of rates authorized by the Commission in this case, should Empire be required to complete its own evaluation of LED SAL systems and either (i) file proposed LED lighting tariff sheet(s), or (ii) update the Commission regarding when the Company intends to file such tariff sheet(s)? (Penning, Kang)

3. Economic Development Rider

Should non-participating customers be held harmless of the revenues foregone by Empire for service under an EDR?

D. TRUE-UP

This list does not include potential issues that may arise during the true-up process.

Order of Cross

Empire Witnesses	Staff Witnesses	Public Counsel Witnesses	MEUA Witnesses	DNR Witnesses	MGE Witnesses
MGE	Public Counsel	Staff	Staff	Staff	Empire
DNR	MEUA	MEUA	Public Counsel	Public Counsel	DNR
MECG	MECG	MECG	MECG	MEUA	MECG
MEUA	DNR	DNR	DNR	MECG	MEUA
Public Counsel	MGE	MGE	MGE	MGE	Public Counsel
Staff	Empire	Empire	Empire	Empire	Staff

Order of Openings

1. Empire
2. Staff
3. Public Counsel
4. MEUA
5. MECG
6. DNR
7. MGE

WHEREFORE, Staff submits these items on behalf of the parties to this matter.

Respectfully submitted,

/s/ Sarah Kliethermes

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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 8th day of February, 2013.

/s/ Sarah Kliethermes