BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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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

RESPONSE REGARDING TRUE-UP

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through Staff Counsel's Office, and for its *Response Regarding True*-

Up states as follows:

1. On March 31, 2011, the Commission ordered that no later than April 7, 2011, the

parties inform the Commission as to whether a true-up hearing is required.

2. In the *Stipulation and Agreement* filed as Attachment 1 to the February 25, 2010,

Non-Unanimous Stipulation and Agreement Regarding Treatment of Empire's Investment in

Iatan 1 Environmental Upgrades (AQCS), Iatan 2, Iatan Common Plant, and Plum Point

Facilities; and Joint Proposal Regarding Certain Procedural Matters in File No. ER-2010-0130

Staff agreed to the following provision:

II.B.4.(iv) that Empire's Rate Filing (2009 RATE CASE) called for in Section III.D.7. of the Empire Experimental Regulatory Plan Stipulation, Case No. EO-2005-0263, will be the next succeeding general rate case after the effective date of compliance tariffs filed in Case No. ER-2010-0130, and following the conclusion of Case No. ER-2010-0130, the Signatory Parties agree to discuss in good faith a procedural schedule for that general rate case filing called for in Section III.D.7. of the Empire Experimental Regulatory Plan Stipulation, Case No. EO-2005-0263, which may allow the Commission to issue a Report and Order regarding that general rate case filing in less than eleven (11) months. [emphasis added]

3. On April 5, 2011, Empire filed its request for a true-up, and recommended a "trueup of its revenue, expense, rate base and rate of return components be conducted through March 31, 2011."

4. While Staff does not object to the request for a true-up, Staff considers seriously its obligations under the *Stipulation and Agreement*. In general, Staff does not view the utilization of a true-up hearing as compatible with an intent to adopt a procedural schedule that would allow the Commission to issue a Report and Order in less than eleven months.

5. Staff notes that Empire's list of items for true-up is quite extensive, and appears to include all items traditionally studied in a rate case. Staff requests that the Commission issue an order requiring Empire to state a specific list of true-up items in its rebuttal testimony, such that the parties may respond to that list in their surrebuttal testimony.

WHEREFORE the Staff (1) states that it does not object to Empire's request that a true-up be utilized, and (2) requests that the Commission order Empire to state a specific list of true-up items in its rebuttal testimony, such that the parties may respond to that list in their surrebuttal testimony.

Respectfully submitted,

<u>/s/ Sarah Kliethermes</u> 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 7th day of April, 2011.

/s/ Sarah Kliethermes