

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

In the matter of the Tariff Filing of the Empire)	
District Electric Company of Joplin, Missouri)	
To Implement a General Rate Increase for)	Case No. ER-2006-0315
Retail Electric Service Provided to Customers)	
In the Missouri Service Area of the Company)	

NOTICE OF FILING OF PROPOSED REPORT AND ORDER
BY THE EMPIRE DISTRICT ELECTRIC COMPANY

COMES NOW The Empire District Electric Company (“Empire”), by and through counsel, and, with regard to certain orders issued herein by the Missouri Public Service Commission (the “Commission”), and in response to the Order Directing Filing of Proposed Orders, issued herein on January 3, 2008, respectfully presents a proposed Report and Order for the consideration of the Commission and states as follows:

1. The Commission issued a Report and Order herein on December 21, 2006, effective December 31, 2006. Empire, the Office of the Public Counsel (“OPC”), and Praxair, Inc. and Explorer Pipeline Company (“the “Industrials”) each filed rehearing and/or reconsideration applications with regard to the Report and Order.

2. On December 29, 2006, the Commission issued its Order Granting Expedited Treatment and Approving Tariffs, to be effective December 31, 2006. On January 1, 2007, the Industrials filed an Application for Rehearing with regard to that order. The order also became the subject of the opinion issued by the Missouri Supreme Court on October 30, 2007, in Case No. SC88390.

3. On January 9, 2007, the Commission issued an Order Supplementing and Clarifying Report and Order, effective January 19, 2007. Empire, OPC, and the Industrials each filed rehearing and/or reconsideration applications with regard to said order.

4. On January 22, 2007, Empire filed a response to the rehearing applications of OPC and the Industrials and submitted that it would be prudent for the Commission to afford an opportunity to hear parties' applications for rehearing or otherwise afford itself an opportunity to reconsider its prior orders. Empire noted that the Commission would likely be dealing with this case, in one form or another, for the foreseeable future, and Empire suggested that many alleged errors could be addressed upon reconsideration or rehearing.

5. On January 27, 2007, the Commission issued its Order Setting Conference, likely so that the various rehearing applications and other pending motions could be discussed among the parties and the Administrative Law Judge. Before the conference could take place, however, the Industrials filed a Petition for Writ of Review with the Cole County Circuit Court on January 31, 2007. The Circuit Court issued a Writ, but the Commission moved to have the Writ set aside and the case dismissed. Consistent with filings made by the Commission and the Industrials, the case was dismissed by the Circuit Court on November 21, 2007, and the Commission may now take up and consider the various pending rehearing/reconsideration applications.

6. On December 4, 2007, the Commission issued an Order Vacating December 29, 2006 Order Granting Expedited Treatment and Approving Tariffs, and Order Approving Tariffs, to be effective December 14, 2007. Also on December 4, 2007, the Commission issued a Notice of Correction with regard to the Tariff File Number referenced in the December 4th Order Approving Tariffs. Rehearing applications were filed by OPC and the Industrials with regard to the Order Vacating December 29, 2006 Order Granting Expedited Treatment and Approving Tariffs, and Order Approving Tariffs.

7. On January 15, 2008, the Commission issued an Order of Clarification, to be effective January 25, 2008. The time for filing rehearing applications regarding the Order of Clarification has yet to run.

8. Empire suggests that the Commission refrain from ruling on any tariff order rehearing applications until the Commission takes up and rules upon the rehearing and reconsideration applications filed herein regarding the Report and Order. Furthermore, if the Commission elects to accept reconsideration and issues a report and order upon reconsideration, then Empire suggests that the Commission refrain from ruling on the tariff order rehearing applications until the Commission takes up and rules upon any rehearing/reconsideration applications which will likely be filed regarding any report and order issued upon reconsideration. Empire makes this suggestion so that there will not be piecemeal appeals to the Circuit Court. If the Commission were to rule upon tariff order rehearing applications with issues regarding the underlying Report and Order (or any order issued upon reconsideration) remaining before the Commission, then the Commission could once again prematurely lose jurisdiction of the case.

9. With their various applications for rehearing, Public Counsel and the Industrials allege procedural deficiencies and other errors with respect to the orders issued herein by the Commission. Although Empire does not agree with the statements set forth in those applications for rehearing, without conceding any issues, or waiving any positions, Empire asserts that certain of the alleged errors could be addressed and resolved upon reconsideration with the issuance of a new report and order. In this regard, a proposed Report and Order Upon Reconsideration is attached hereto for consideration by the Commission and the Administrative Law Judge. In the preparation of this document, Empire started with the original Report and Order issued herein on December 21, 2006, and then made certain changes and additions, all as shown in redline format.

10. It is the intention of Empire that this proposed Report and Order Upon Reconsideration address all contested issues in the case and address many of the issues raised in the various rehearing applications pending before the Commission. Empire's proposed Report

and Order Upon Reconsideration attached hereto does not resolve all issues to the satisfaction of Empire (i.e. the issues addressed in Empire's Application for Rehearing filed with regard to the December 21, 2006 Report and Order), and Empire submits this proposed Report and Order Upon Reconsideration while expressly reserving its right to seek judicial review of the decisions of the Commission, all as set out in Empire's Applications for Rehearing filed herein. In the event the Commission desires to change its holdings on the issues of cost of capital/rate of return and the implementation of an energy cost recovery mechanism, Empire would be pleased to prepare an additional proposed report and order for the Commission's consideration. The resolution of these issues to the satisfaction of Empire would, however, require significant changes to the remainder of the Report and Order and would require the filing of new tariffs.

11. Empire prepared and submits the proposed Report and Order Upon Reconsideration attached hereto in an effort to assist the Commission in addressing the alleged procedural deficiencies and other errors with respect to the orders issued herein by the Commission.

12. The additions on pages three through eight of the proposed Report and Order Upon Reconsideration are to address happenings since the issuance of the original Report and Order on December 21, 2006. The addition on pages 14-15 contains the specific dollar amount of the authorized rate increase. The additions and revisions on pages 34 and 36-37 are to further explain certain Commission findings and conclusions regarding regulatory plan amortizations and are to reflect the decision set forth in the Order Supplementing and Clarifying Report and Order, effective January 19, 2007. Certain changes are proposed on pages 43-50 with regard to fuel and purchased power expense recovery. At pages 61-64, a section was added to address the corporate allocations true-up issue. Proposed ordered paragraphs five and six note that certain rehearing applications would become moot with the issuance of a Report and Order Upon

Reconsideration. Proposed ordered paragraph seven states that rehearing applications regarding the Order Vacating December 29, 2006 Order Granting Expedited Treatment and Approving Tariffs, and Order Approving Tariffs shall remain pending before the Commission. With regard to proposed ordered paragraph eight, Empire suggests that the Report and Order Upon Reconsideration be effective ten days after issuance.

WHEREFORE, Empire, without waiving its positions as stated in its various motions and applications pending before the Commission, respectfully presents to the Commission for its consideration the attached proposed Report and Order Upon Reconsideration.

Respectfully submitted,

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Certificate of Service

I hereby certify that the foregoing has been sent by United States mail, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record on the 18th day of January, 2008.

 /s/ Diana C. Carter