

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

FILED
JUN 23 1997
MISSOURI
PUBLIC SERVICE COMMISSION

In the matter of The Empire District Electric)
Company for authority to file tariffs)
increasing rates for electric service provided)
to customers in its Missouri service area.)

Case No. ER-97-81

**FIRST AMENDMENT TO
UNANIMOUS STIPULATION AND AGREEMENT**

Come now The Empire District Electric Company ("Empire"), the Staff of the Missouri Public Service Commission ("Staff"), and the Office of the Public Counsel ("Public Counsel") and stipulate and agree as follows:

1. On April 4, 1997, all of the parties to this proceeding filed a Unanimous Stipulation and Agreement ("the Stipulation") in this proceeding. An on-the-record presentation on paragraphs 1 through 7 of the Stipulation was held on April 30, 1997.

2. The Stipulation provided, among other things, for a true-up and for isolated adjustments to the true-up. The Staff of the Commission performed a true-up audit and the results were presented to the Commission in the true-up hearing held on May 23, 1997. At that hearing, there was an issue involving payroll costs that was discussed. The Stipulation also provided for certain items to be determined as of May 31, 1997.

3. On June 2, 1997, Empire filed a "Motion to Modify Order Establishing Test Year" which stated that due to unforeseen problems, including the failure of a hydrogen seal, State Line Unit 2 did not meet the in-service criteria as of midnight on May 31, 1997. The Motion asked the Commission to modify its order establishing the cut-off date to change May 31 to June 21, 1997.

4. Both prior and subsequent to the filing of the motion, Empire has had discussions

with the Staff and other parties concerning the issue of State Line Unit 2 meeting the in-service criteria. On June 6, 1997, Empire and the Staff filed a "Joint Notice of Agreement in Principle and Joint Motion for Extension of Time." In that Joint Motion, Empire and Staff stated that they had reached an agreement in principle regarding the issues surrounding State Line Unit 2 and the cut-off date, and the payroll issue discussed in the true-up hearing, and that they would be contacting the other parties regarding that agreement in principle. On June 19, 1997, a "Joint Notice of Agreement in Principle" was filed with the Commission notifying the Commission that an agreement in principle disposing of all issues had been reached between Staff, OPC and Empire.

5. As a result of the continuing settlement discussions, the undersigned parties have reached agreement on appropriate modifications to the Stipulation which remove material which has been superseded by the course of events and that reflect their agreement on the settlement of this proceeding.

6. This First Amendment is a non-unanimous stipulation in that it has not been signed by counsel for ICI Explosives USA, Inc. ("ICI") and Praxair, Inc. ("Praxair") (collectively "ICI/Praxair"). However, accompanying the filing of this First Amendment is a letter from counsel for ICI/Praxair which acknowledges receipt of this First Amendment, states their non-opposition to this First Amendment, and waives their right to a hearing under 4 CSR 240-2.115(2) and to notice under 4 CSR 240-2.115(3). Therefore, under the terms of 4 CSR 240-2.115(1), the parties expect the Commission to treat this First Amendment "as a unanimous stipulation and agreement."

7. The undersigned parties agree that paragraph numbered 1 on page 2 of the Stipulation shall be and hereby is amended to read in its entirety as follows:

1. Empire shall be authorized to file revised tariff sheets

containing rate schedules for electric service designed to produce an increase in overall Missouri jurisdictional revenues in an amount to be determined by the application of paragraph 3 hereof, exclusive of any applicable license, occupation, franchise, gross receipts taxes or similar fees or taxes.

8. The undersigned parties agree that paragraph numbered 3 appearing on pages 2, 3, 4, and 5 of the Stipulation shall be and hereby is amended to read in its entirety as follows:

3. Authorized Increase, Application, Resolution of True-Up and Other Issues, General Rate Increase Moratorium:

A. Authorized Increase: The increase in overall Missouri jurisdictional revenues referred to in paragraph 1 hereof shall be determined as follows: If, on or before midnight on June 21, 1997, State Line Unit 2 ("the plant") meets the in-service criteria contained in the prepared direct testimony of C. Bruce Deering, the increase shall be \$13,941,377, which is the revenue requirement shown on Schedule 2 of David Winter's supplemental true-up testimony (Exhibit TU-2). The \$13,941,377 is subject to downward adjustment based on the items in paragraphs 6, 7, and 8 of Schedule 1 HC to Mr. Deering's testimony. If the plant does not meet the in-service criteria, as may be adjusted as set out above, the increase shall be \$10,589,364 which is the amount shown on Schedule 1 of Exhibit TU-2.

B. Application of Increase: At an increase of \$10,589,364, the equal percentage increase to the existing firm

rates in all classes as specified by paragraph 2 is 6.43 percent. At an increase of \$13,941,377, the equal percentage increase to the existing firm rates in all classes as specified by paragraph 2 is 8.46 percent. If there is a reduction in the \$13,941,377 amount as provided in paragraph 3.A., it shall be applied pro rata. In all cases the equal percentage increase to the existing firm rates shall be calculated by dividing the revenue increase by firm rate revenues of \$164,713,211. Incorporated into this agreement as Attachment 1 are Schedule 1 which shows the dollar and percentage increase to each tariff class, Schedule 2 which shows the current and stipulated rates, and Schedule 3 which shows the impact of the stipulated rates on typical residential electric bills for a revenue increase of \$10,589,364 (6.43 percent increase). Incorporated into this agreement as Attachment 2 are Schedule 1 which shows the dollar and percentage increase to each tariff class. Schedule 2 which shows the current and stipulated rates, and Schedule 3 which shows the impact of the stipulated rates on typical residential electric bills for a revenue increase of \$13,941,377 (8.46 percent increase).

C. Resolution of True-Up And Other Issues: If the Commission approves this Stipulation in its entirety: (1) Empire will withdraw its proposal regarding the "payroll" issue discussed at the true-up hearing on May 23, 1997; (2) Empire agrees that it will not seek, in this proceeding, to recover in rates amounts paid

to Westinghouse after May 31, 1997, such amounts having been discussed on page 4 of Exhibit TU-2; (3) Empire agrees it will cease booking AFUDC (Allowance for Funds Used During Construction), and will not seek authority from the Commission to defer recording of carrying costs, depreciation and other expenses associated with State Line 2 after that plant goes into service.

D. General Rate Increase Moratorium:

I. If State Line 2 meets the in-service criteria as discussed in paragraph 3.A., and Empire is thereby authorized to implement an increase of \$13,941,377 (which amount may be adjusted pursuant to paragraphs 6, 7 and 8 of Schedule 1 HC to Mr. Deering's testimony), Empire agrees it will not file proposed tariffs seeking a general rate increase [as defined in 4 CSR 240-10.070(2)] applicable to its Missouri electric operations prior to July 29, 1998, unless an unusual event(s) occurs which would have a significant adverse impact on Empire's electric operations, such as: an act of God, a significant change in the federal or state tax laws, a significant change in the federal or state laws involving the manner in which electric utilities are required to provide service in Missouri, an extended outage or unplanned shutdown of a major generating unit or units, or the failure of a vendor of purchased power to Empire to meet its contractual commitments involving a significant amount of purchased power. Nevertheless, any party may file with the Commission prior to July 29, 1998, proposed

tariff changes which do not effect a general rate increase, including, but not limited to, changes in the descriptions or terms of existing tariff provisions or proposed new rate classifications or which seek to recover new costs imposed on Empire; provided, that if such a request is filed, any party may oppose it and shall not be deemed to have consented to the establishment of a new docket to consider such request or to the proposals of the party making the request. This provision is not intended to preclude presentation to the Commission and the Commission's resolution of disputes respecting the proper application of Empire's tariffs.

II. If State Line 2 meets the in-service criteria as discussed in paragraph 3.A., and Empire is thereby authorized to implement an increase of \$13,941,377 (which amount may be adjusted pursuant to paragraphs 6, 7 and 8 of Schedule 1 HC to Mr. Deering's testimony), then Staff and OPC will not file, encourage, or assist others to file a rate reduction case or complaint regarding the reasonableness of Empire's rates applicable to Empire's Missouri electric operations prior to July 29, 1998.

III. If State Line 2 does not meet the in-service criteria as discussed in paragraph 3.A., and Empire is thereby authorized to implement an increase of \$10,589,364, then the general rate case or rate complaint moratorium provisions in paragraphs 3.D.I. and II. shall neither apply nor go into effect.

9. The undersigned parties have agreed to this First Amendment to the Stipulation as

of this 23rd day of June, 1997, and agree that it shall take effect on the date hereof.

10. In all other respects, the Stipulation remains unchanged.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was mailed or hand-delivered on June 23, 1997, to all parties of record.

Gary W. Duffy

Gary W. Duffy

stplamd.006/gdede7/wpw

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO.ER-97-81
MISSOURI RETAIL FIRM RATE REVENUES AND
INCREASE TO TARIFFS AND CUSTOMER CLASSES
(NO STATE LINE COMBUSTION TURBINE NO.2 COSTS INCLUDED)**

<u>COST OF SERVICE CLASS/TARIFF</u>	<u>TOTAL MO RETAIL FIRM RATE REVENUE</u>	<u>INCREASE IN FIRM RATE REVENUE</u>	<u>% INCREASE</u>
RESIDENTIAL:			
GENERAL	\$37,906,470	\$2,436,996	6.43%
WATER HEATING	\$11,026,379	\$708,883	6.43%
SPACE HEATING	\$26,434,412	\$1,699,461	6.43%
TOTAL RESIDENTIAL	\$75,367,261	\$4,845,339	
SMALL GENERAL SERVICE:			
COMMERCIAL BLDGS	\$17,908,867	\$1,151,356	6.43%
SMALL HEATING	\$6,409,271	\$412,050	6.43%
FEED MILLS	\$92,840	\$5,969	6.43%
TRAFFIC SIGNALS	\$19,268	\$1,239	6.43%
TOTAL SMALL GS	\$24,430,247	\$1,570,613	
LARGE GENERAL SERVICE:			
TOTAL ELECTRIC BLDGS	\$12,393,025	\$796,744	6.43%
GENERAL POWER	\$27,883,833	\$1,792,643	6.43%
TOTAL LARGE GS	\$40,276,858	\$2,589,387	
LARGE POWER	\$18,082,021	\$1,162,488	6.43%
SPECIAL CONTRACTS	\$3,564,859	\$229,184	6.43%
ELECTRIC FURNACE	\$106,248	\$6,831	6.43%
LIGHTING			
STREET LIGHTING	\$778,319	\$50,038	6.43%
PRIVATE LIGHTING	\$1,967,486	\$126,489	6.43%
SPECIAL LIGHTING	\$139,912	\$8,995	6.43%
TOTAL LIGHTING	\$2,885,717	\$185,522	
TOTAL MO FIRM RATE REVENUE	\$164,713,211	\$10,589,364	
TOTAL REVENUE INCREASE	\$10,589,364		
PERCENTAGE INCREASE IN EACH RATE COMPONENT		6.43%	

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO.ER-97-81
THE IMPACT OF STIPULATED RATES ON
TYPICAL RESIDENTIAL ELECTRIC BILLS
(NO STATE LINE COMBUSTION TURBINE NO.2 COSTS INCLUDED)**

	<u>SUMMER AVERAGE</u>	<u>WINTER AVERAGE</u>	<u>ANNUAL AVERAGE</u>
NORMALIZED USE (KWH/MONTH)	1,131	676	828
BILL ON CURRENT RATES (\$/MONTH)	\$74.21	\$45.09	\$54.80
BILL ON STIPULATED RATES (\$/MONTH)	\$78.98	\$47.99	\$58.32
DOLLAR CHANGE FROM CURRENT (\$/MONTH)	\$4.77	\$2.90	\$3.52
PERCENT CHANGE FROM CURRENT (%)	6.43%	6.43%	6.43%

NOTE: THESE CALCULATIONS USE THE RESIDENTIAL RATES WHICH WOULD RESULT FROM A \$10,589,364 TOTAL INCREASE.

A COMPARISON OF MISSOURI TYPICAL RESIDENTIAL ELECTRIC BILLS BY COMPANY

	<u>EFFECTIVE DATE</u>	<u>SUMMER AVERAGE</u>	<u>WINTER AVERAGE</u>	<u>ANNUAL AVERAGE</u>
EMPIRE DISTRICT ELECTRIC CO.	11/15/95	\$74.21	\$45.09	\$54.80
ST.JOSEPH LIGHT & POWER CO.	06/15/95	\$79.23	\$44.05	\$55.78
EMPIRE DISTRICT ELECTRIC CO.	SUMMER 1997	\$78.98	\$47.99	\$58.32
CITIZENS ELECTRIC CORP.	03/28/97	\$82.02	\$53.90	\$63.27
UNION ELECTRIC CO. (1)	08/01/95	\$99.33	\$45.84	\$63.67
KANSAS CITY POWER & LIGHT CO.	01/01/97	\$92.75	\$50.48	\$64.57
MISSOURI PUBLIC SERVICE	06/29/93	\$93.59	\$55.67	\$68.31

(1) CUSTOMERS MAY RECEIVE ANNUAL SHARING CREDITS UNDER THE EXPERIMENTAL ALTERNATIVE REGULATION PLAN. THE ANNUAL SHARING CREDIT FOR LAST YEAR WOULD HAVE BEEN \$15.30 (\$1.28 PER MONTH) FOR THIS TYPICAL RESIDENTIAL CUSTOMER.

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(NO STATE LINE COMBUSTION NO.2 COSTS INCLUDED)**

RESIDENTIAL SERVICE

	CURRENT RATES	STIPULATED RATES	DIFFERENCE	
			(\$)	(%)
CUSTOMER CHARGE	\$7.00	\$7.45	\$0.45	6.43%
ENERGY CHARGES				
SUMMER				
FIRST 600 KWH	\$0.0594	\$0.0632	\$0.0038	6.43%
OVER 600 KWH	\$0.0594	\$0.0632	\$0.0038	6.43%
WINTER				
FIRST 600 KWH	\$0.0594	\$0.0632	\$0.0038	6.43%
OVER 600 KWH	\$0.0350	\$0.0373	\$0.0023	6.43%

COMMERCIAL SERVICE

	CURRENT RATES	STIPULATED RATES	DIFFERENCE	
			(\$)	(%)
CUSTOMER CHARGE	\$10.00	\$10.64	\$0.64	6.43%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0680	\$0.0724	\$0.0044	6.43%
OVER 700 KWH	\$0.0680	\$0.0724	\$0.0044	6.43%
WINTER				
FIRST 700 KWH	\$0.0680	\$0.0724	\$0.0044	6.43%
OVER 700 KWH	\$0.0463	\$0.0493	\$0.0030	6.43%

SMALL HEATING SERVICE

	CURRENT RATES	STIPULATED RATES	DIFFERENCE	
			(\$)	(%)
CUSTOMER CHARGE	\$10.00	\$10.64	\$0.64	6.43%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0680	\$0.0724	\$0.0044	6.43%
OVER 700 KWH	\$0.0680	\$0.0724	\$0.0044	6.43%
WINTER				
FIRST 700 KWH	\$0.0680	\$0.0724	\$0.0044	6.43%
OVER 700 KWH	\$0.0354	\$0.0377	\$0.0023	6.43%

FEED MILL & GRAIN ELEVATOR (67)

	CURRENT RATES	STIPULATED RATES	DIFFERENCE	
			(\$)	(%)
CUSTOMER CHARGE	\$15.00	\$15.96	\$0.96	6.43%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0870	\$0.0926	\$0.0056	6.43%
OVER 700 KWH	\$0.0870	\$0.0926	\$0.0056	6.43%
WINTER				
FIRST 700 KWH	\$0.0870	\$0.0926	\$0.0056	6.43%
OVER 700 KWH	\$0.0790	\$0.0841	\$0.0051	6.43%

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(NO STATE LINE COMBUSTION NO.2 COSTS INCLUDED)**

GENERAL POWER SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE:				
REG MTR BILLS	\$36.31	\$38.64	\$2.33	6.43%
IDR MTR BILLS	\$133.58	\$142.17	\$8.59	6.43%
DEMAND CHARGE:				
SUMMER KW	\$4.94	\$5.26	\$0.32	6.43%
WINTER KW	\$3.86	\$4.11	\$0.25	6.43%
PRIMARY DISCOUNT:				
SUMMER KW	\$0.171	\$0.182	\$0.011	6.43%
WINTER KW	\$0.171	\$0.182	\$0.011	6.43%
ENERGY CHARGE:				
SUMMER				
FIRST 150 HU	\$0.0508	\$0.0541	\$0.0033	6.43%
NEXT 200 HU	\$0.0321	\$0.0342	\$0.0021	6.43%
OVER 350 HU	\$0.0288	\$0.0307	\$0.0019	6.43%
WINTER				
FIRST 150 HU	\$0.0299	\$0.0318	\$0.0019	6.43%
NEXT 200 HU	\$0.0288	\$0.0307	\$0.0019	6.43%
OVER 350 HU	\$0.0281	\$0.0299	\$0.0018	6.43%

TOTAL ELECTRIC BUILDINGS

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE:				
REG MTR BILLS	\$36.31	\$38.64	\$2.33	6.43%
IDR MTR BILLS	\$133.58	\$142.17	\$8.59	6.43%
DEMAND CHARGE:				
SUMMER KW	\$3.09	\$3.29	\$0.20	6.43%
WINTER KW	\$2.54	\$2.70	\$0.16	6.43%
PRIMARY DISCOUNT:				
SUMMER KW	\$0.171	\$0.182	\$0.011	6.43%
WINTER KW	\$0.171	\$0.182	\$0.011	6.43%
ENERGY CHARGE:				
SUMMER				
FIRST 150 HU	\$0.0596	\$0.0634	\$0.0038	6.43%
NEXT 200 HU	\$0.0377	\$0.0401	\$0.0024	6.43%
OVER 350 HU	\$0.0339	\$0.0361	\$0.0022	6.43%
WINTER				
FIRST 150 HU	\$0.0312	\$0.0332	\$0.0020	6.43%
NEXT 200 HU	\$0.0294	\$0.0313	\$0.0019	6.43%
OVER 350 HU	\$0.0284	\$0.0302	\$0.0018	6.43%

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(NO STATE LINE COMBUSTION NO.2 COSTS INCLUDED)**

LARGE POWER SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$133.58	\$142.17	\$8.59	6.43%
DEMAND CHARGE:				
SUMMER KW	\$7.90	\$8.41	\$0.51	6.43%
WINTER KW	\$4.36	\$4.64	\$0.28	6.43%
SECONDARY ADDER:				
SUMMER KW	\$0.166	\$0.177	\$0.011	6.43%
WINTER KW	\$0.166	\$0.177	\$0.011	6.43%
ENERGY CHARGE:				
SUMMER				
FIRST 350 HU	\$0.0314	\$0.0334	\$0.0020	6.43%
OVER 350 HU	\$0.0163	\$0.0173	\$0.0010	6.43%
WINTER				
FIRST 350 HU	\$0.0277	\$0.0295	\$0.0018	6.43%
OVER 350 HU	\$0.0156	\$0.0166	\$0.0010	6.43%

SPECIAL TRANSMISSION SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$133.58	\$142.17	\$8.59	6.43%
FACILITIES CHARGE:				
SUMMER KW	\$0.25	\$0.27	\$0.02	6.43%
WINTER KW	\$0.25	\$0.27	\$0.02	6.43%
DEMAND CHARGE:				
SUMMER ON-PEAK KW	\$12.03	\$12.80	\$0.77	6.43%
WINTER ON-PEAK KW	\$8.18	\$8.71	\$0.53	6.43%
ENERGY CHARGE:				
SUMMER				
ON-PEAK KWH	\$0.0239	\$0.0254	\$0.0015	6.43%
SHOULDER KWH	\$0.0190	\$0.0202	\$0.0012	6.43%
OFF-PEAK KWH	\$0.0143	\$0.0152	\$0.0009	6.43%
WINTER				
ON-PEAK KWH	\$0.0165	\$0.0176	\$0.0011	6.43%
OFF-PEAK KWH	\$0.0135	\$0.0144	\$0.0009	6.43%

POWER FURNACE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$0.00	\$0.00	\$0.00	0.00%
ENERGY CHARGE:				
SUMMER KWH	\$0.0420	\$0.0447	\$0.0027	6.43%
WINTER KWH	\$0.0420	\$0.0447	\$0.0027	6.43%

MISCELLANEOUS SERVICE (33)

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$10.00	\$10.64	\$0.64	6.43%
ENERGY CHARGE:				
SUMMER KWH	\$0.0486	\$0.0517	\$0.0031	6.43%
WINTER KWH	\$0.0486	\$0.0517	\$0.0031	6.43%

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(NO STATE LINE COMBUSTION NO.2 COSTS INCLUDED)

PRIVATE LIGHTING

	<u>CURRENT</u> <u>RATES</u>	<u>STIPULATED</u> <u>RATES</u>	<u>DIFFERENCE</u> <u>(\$)</u>	<u>DIFFERENCE</u> <u>(%)</u>
STREET LIGHTING LAMPS:				
MERCURY VAPOR				
6800 LUMENS	\$7.78	\$8.28	\$0.50	6.43%
20000 LUMENS	\$12.94	\$13.77	\$0.83	6.43%
54000 LUMENS	\$24.82	\$26.42	\$1.60	6.43%
SODIUM VAPOR				
6000 LUMENS	\$7.19	\$7.65	\$0.46	6.43%
16000 LUMENS	\$10.46	\$11.13	\$0.67	6.43%
50000 LUMENS	\$17.54	\$18.67	\$1.13	6.43%
METAL HALIDE				
20500 LUMENS	\$16.18	\$17.22	\$1.04	6.43%
36000 LUMENS	\$18.14	\$19.31	\$1.17	6.43%
FLOOD LIGHTING LAMPS:				
MERCURY VAPOR				
20000 LUMENS	\$18.14	\$19.31	\$1.17	6.43%
54000 LUMENS	\$29.97	\$31.90	\$1.93	6.43%
SODIUM VAPOR				
27500 LUMENS	\$17.59	\$18.72	\$1.13	6.43%
50000 LUMENS	\$24.11	\$25.66	\$1.55	6.43%
140000 LUMENS	\$35.23	\$37.49	\$2.26	6.43%
METAL HALIDE				
36000 LUMENS	\$24.56	\$26.14	\$1.58	6.43%
110000 LUMENS	\$35.88	\$38.19	\$2.31	6.43%
OTHER CHARGES:				
ADDL POLES	\$1.00	\$1.06	\$0.06	6.43%
ADDL ANCHOR	\$1.00	\$1.06	\$0.06	6.43%
ADDL CONDUCTOR	\$0.009	\$0.010	\$0.001	6.43%

MUNICIPAL STREET LIGHTING

	<u>CURRENT</u> <u>RATES</u>	<u>STIPULATED</u> <u>RATES</u>	<u>DIFFERENCE</u> <u>(\$)</u>	<u>DIFFERENCE</u> <u>(%)</u>
STREET LIGHTING LAMPS:				
INCANDESCENT				
4000 LUMENS	\$32.30	\$34.38	\$2.08	6.43%
10000 LUMENS	\$66.48	\$70.75	\$4.27	6.43%
MERCURY VAPOR				
7000 LUMENS	\$43.87	\$46.69	\$2.82	6.43%
11000 LUMENS	\$52.66	\$56.05	\$3.39	6.43%
20000 LUMENS	\$75.39	\$80.24	\$4.85	6.43%
53000 LUMENS	\$127.20	\$135.38	\$8.18	6.43%
SODIUM VAPOR				
6000 LUMENS	\$41.11	\$43.75	\$2.64	6.43%
16000 LUMENS	\$51.46	\$54.77	\$3.31	6.43%
27500 LUMENS	\$66.97	\$71.28	\$4.31	6.43%
50000 LUMENS	\$95.46	\$101.60	\$6.14	6.43%
130000 LUMENS	\$154.05	\$163.95	\$9.90	6.43%

SPECIAL LIGHTING

	<u>CURRENT</u> <u>RATES</u>	<u>STIPULATED</u> <u>RATES</u>	<u>DIFFERENCE</u> <u>(\$)</u>	<u>DIFFERENCE</u> <u>(%)</u>
MINIMUM CHARGE				
	\$23.00	\$24.48	\$1.48	6.43%
ENERGY CHARGE:				
SUMMER				
FIRST 1000 KWH	\$0.0844	\$0.0898	\$0.0054	6.43%
OVER 1000 KWH	\$0.0660	\$0.0702	\$0.0042	6.43%
WINTER				
FIRST 1000 KWH	\$0.0844	\$0.0898	\$0.0054	6.43%
OVER 1000 KWH	\$0.0660	\$0.0702	\$0.0042	6.43%

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO.ER-97-81
MISSOURI RETAIL FIRM RATE REVENUES AND
INCREASE TO TARIFFS AND CUSTOMER CLASSES
(STATE LINE COMBUSTION TURBINE NO.2 IN SERVICE)**

<u>COST OF SERVICE CLASS/TARIFF</u>	<u>TOTAL MO RETAIL FIRM RATE REVENUE</u>	<u>INCREASE IN FIRM RATE REVENUE</u>	<u>% INCREASE</u>
RESIDENTIAL:			
GENERAL	\$37,906,470	\$3,208,415	8.46%
WATER HEATING	\$11,026,379	\$933,276	8.46%
SPACE HEATING	<u>\$26,434,412</u>	<u>\$2,237,417</u>	8.46%
TOTAL RESIDENTIAL	\$75,367,261	\$6,379,108	
SMALL GENERAL SERVICE:			
COMMERCIAL BLDGS	\$17,908,867	\$1,515,812	8.46%
SMALL HEATING	\$6,409,271	\$542,483	8.46%
FEED MILLS	\$92,840	\$7,858	8.46%
TRAFFIC SIGNALS	<u>\$19,268</u>	<u>\$1,631</u>	8.46%
TOTAL SMALL GS	\$24,430,247	\$2,067,784	
LARGE GENERAL SERVICE:			
TOTAL ELECTRIC BLDGS	\$12,393,025	\$1,048,949	8.46%
GENERAL POWER	<u>\$27,883,833</u>	<u>\$2,360,096</u>	8.46%
TOTAL LARGE GS	\$40,276,858	\$3,409,046	
LARGE POWER	\$18,082,021	\$1,530,468	8.46%
SPECIAL CONTRACTS	\$3,564,859	\$301,731	8.46%
ELECTRIC FURNACE	\$106,248	\$8,993	8.46%
LIGHTING			
STREET LIGHTING	\$778,319	\$65,877	8.46%
PRIVATE LIGHTING	\$1,967,486	\$166,529	8.46%
SPECIAL LIGHTING	<u>\$139,912</u>	<u>\$11,842</u>	8.46%
TOTAL LIGHTING	\$2,885,717	\$244,248	
TOTAL MO FIRM RATE REVENUE	\$164,713,211	\$13,941,377	
TOTAL REVENUE INCREASE	\$13,941,377		
PERCENTAGE INCREASE IN EACH RATE COMPONENT		8.46%	

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO.ER-97-81
THE IMPACT OF STIPULATED RATES ON
TYPICAL RESIDENTIAL ELECTRIC BILLS
(STATE LINE COMBUSTION TURBINE NO.2 IN SERVICE)**

	<u>SUMMER AVERAGE</u>	<u>WINTER AVERAGE</u>	<u>ANNUAL AVERAGE</u>
NORMALIZED USE (KWH/MONTH)	1,131	676	828
BILL ON CURRENT RATES (\$/MONTH)	\$74.21	\$45.09	\$54.80
BILL ON STIPULATED RATES (\$/MONTH)	\$80.49	\$48.91	\$59.44
DOLLAR CHANGE FROM CURRENT (\$/MONTH)	\$6.28	\$3.82	\$4.64
PERCENT CHANGE FROM CURRENT (%)	8.46%	8.46%	8.46%

NOTE: THESE CALCULATIONS USE THE RESIDENTIAL RATES WHICH WOULD RESULT FROM A \$13,941,377 TOTAL INCREASE.

A COMPARISON OF MISSOURI TYPICAL RESIDENTIAL ELECTRIC BILLS BY COMPANY

	<u>EFFECTIVE DATE</u>	<u>SUMMER AVERAGE</u>	<u>WINTER AVERAGE</u>	<u>ANNUAL AVERAGE</u>
EMPIRE DISTRICT ELECTRIC CO.	11/15/95	\$74.21	\$45.09	\$54.80
ST.JOSEPH LIGHT & POWER CO.	06/15/95	\$79.23	\$44.05	\$55.78
EMPIRE DISTRICT ELECTRIC CO.	SUMMER 1997	\$80.49	\$48.91	\$59.44
CITIZENS ELECTRIC CORP.	03/28/97	\$82.02	\$53.90	\$63.27
UNION ELECTRIC CO. (1)	08/01/95	\$99.33	\$45.84	\$63.67
KANSAS CITY POWER & LIGHT CO.	01/01/97	\$92.75	\$50.48	\$64.57
MISSOURI PUBLIC SERVICE	06/29/93	\$93.59	\$55.67	\$68.31

(1) CUSTOMERS MAY RECEIVE ANNUAL SHARING CREDITS UNDER THE EXPERIMENTAL ALTERNATIVE REGULATION PLAN. THE ANNUAL SHARING CREDIT FOR LAST YEAR WOULD HAVE BEEN \$15.30 (\$1.28 PER MONTH) FOR THIS TYPICAL RESIDENTIAL CUSTOMER.

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(STATE LINE COMBUSTION NO.2 IN SERVICE)**

RESIDENTIAL SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE</u>	
			<u>(\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$7.00	\$7.59	\$0.59	8.46%
ENERGY CHARGES				
SUMMER				
FIRST 600 KWH	\$0.0594	\$0.0644	\$0.0050	8.46%
OVER 600 KWH	\$0.0594	\$0.0644	\$0.0050	8.46%
WINTER				
FIRST 600 KWH	\$0.0594	\$0.0644	\$0.0050	8.46%
OVER 600 KWH	\$0.0350	\$0.0380	\$0.0030	8.46%

COMMERCIAL SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE</u>	
			<u>(\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$10.00	\$10.85	\$0.85	8.46%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0680	\$0.0738	\$0.0058	8.46%
OVER 700 KWH	\$0.0680	\$0.0738	\$0.0058	8.46%
WINTER				
FIRST 700 KWH	\$0.0680	\$0.0738	\$0.0058	8.46%
OVER 700 KWH	\$0.0463	\$0.0502	\$0.0039	8.46%

SMALL HEATING SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE</u>	
			<u>(\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$10.00	\$10.85	\$0.85	8.46%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0680	\$0.0738	\$0.0058	8.46%
OVER 700 KWH	\$0.0680	\$0.0738	\$0.0058	8.46%
WINTER				
FIRST 700 KWH	\$0.0680	\$0.0738	\$0.0058	8.46%
OVER 700 KWH	\$0.0354	\$0.0384	\$0.0030	8.46%

FEED MILL & GRAIN ELEVATOR (67)

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE</u>	
			<u>(\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$15.00	\$16.27	\$1.27	8.46%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0870	\$0.0944	\$0.0074	8.46%
OVER 700 KWH	\$0.0870	\$0.0944	\$0.0074	8.46%
WINTER				
FIRST 700 KWH	\$0.0870	\$0.0944	\$0.0074	8.46%
OVER 700 KWH	\$0.0790	\$0.0857	\$0.0067	8.46%

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(STATE LINE COMBUSTION NO.2 IN SERVICE)**

GENERAL POWER SERVICE					TOTAL ELECTRIC BUILDINGS				
	CURRENT RATES	STIPULATED RATES	DIFFERENCE (\$)	(%)		CURRENT RATES	STIPULATED RATES	DIFFERENCE (\$)	(%)
CUSTOMER CHARGE:					CUSTOMER CHARGE:				
REG MTR BILLS	\$36.31	\$39.38	\$3.07	8.46%	REG MTR BILLS	\$36.31	\$39.38	\$3.07	8.46%
IDR MTR BILLS	\$133.58	\$144.89	\$11.31	8.46%	IDR MTR BILLS	\$133.58	\$144.89	\$11.31	8.46%
DEMAND CHARGE:					DEMAND CHARGE:				
SUMMER KW	\$4.94	\$5.36	\$0.42	8.46%	SUMMER KW	\$3.09	\$3.35	\$0.26	8.46%
WINTER KW	\$3.86	\$4.19	\$0.33	8.46%	WINTER KW	\$2.54	\$2.75	\$0.21	8.46%
PRIMARY DISCOUNT:					PRIMARY DISCOUNT:				
SUMMER KW	\$0.171	\$0.185	\$0.014	8.46%	SUMMER KW	\$0.171	\$0.185	\$0.014	8.46%
WINTER KW	\$0.171	\$0.185	\$0.014	8.46%	WINTER KW	\$0.171	\$0.185	\$0.014	8.46%
ENERGY CHARGE:					ENERGY CHARGE:				
SUMMER					SUMMER				
FIRST 150 HU	\$0.0508	\$0.0551	\$0.0043	8.46%	FIRST 150 HU	\$0.0596	\$0.0646	\$0.0050	8.46%
NEXT 200 HU	\$0.0321	\$0.0348	\$0.0027	8.46%	NEXT 200 HU	\$0.0377	\$0.0409	\$0.0032	8.46%
OVER 350 HU	\$0.0288	\$0.0312	\$0.0024	8.46%	OVER 350 HU	\$0.0339	\$0.0368	\$0.0029	8.46%
WINTER					WINTER				
FIRST 150 HU	\$0.0299	\$0.0324	\$0.0025	8.46%	FIRST 150 HU	\$0.0312	\$0.0338	\$0.0026	8.46%
NEXT 200 HU	\$0.0288	\$0.0312	\$0.0024	8.46%	NEXT 200 HU	\$0.0294	\$0.0319	\$0.0025	8.46%
OVER 350 HU	\$0.0281	\$0.0305	\$0.0024	8.46%	OVER 350 HU	\$0.0284	\$0.0308	\$0.0024	8.46%

**THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(STATE LINE COMBUSTION NO.2 IN SERVICE)**

LARGE POWER SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$133.58	\$144.89	\$11.31	8.46%
DEMAND CHARGE:				
SUMMER KW	\$7.90	\$8.57	\$0.67	8.46%
WINTER KW	\$4.36	\$4.73	\$0.37	8.46%
SECONDARY ADDER:				
SUMMER KW	\$0.166	\$0.180	\$0.014	8.46%
WINTER KW	\$0.166	\$0.180	\$0.014	8.46%
ENERGY CHARGE:				
SUMMER				
FIRST 350 HU	\$0.0314	\$0.0341	\$0.0027	8.46%
OVER 350 HU	\$0.0163	\$0.0177	\$0.0014	8.46%
WINTER				
FIRST 350 HU	\$0.0277	\$0.0300	\$0.0023	8.46%
OVER 350 HU	\$0.0156	\$0.0169	\$0.0013	8.46%

SPECIAL TRANSMISSION SERVICE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$133.58	\$144.89	\$11.31	8.46%
FACILITIES CHARGE:				
SUMMER KW	\$0.25	\$0.27	\$0.02	8.46%
WINTER KW	\$0.25	\$0.27	\$0.02	8.46%
DEMAND CHARGE:				
SUMMER ON-PEAK KW	\$12.03	\$13.05	\$1.02	8.46%
WINTER ON-PEAK KW	\$8.18	\$8.87	\$0.69	8.46%
ENERGY CHARGE:				
SUMMER				
ON-PEAK KWH	\$0.0239	\$0.0259	\$0.0020	8.46%
SHOULDER KWH	\$0.0190	\$0.0206	\$0.0016	8.46%
OFF-PEAK KWH	\$0.0143	\$0.0155	\$0.0012	8.46%
WINTER				
ON-PEAK KWH	\$0.0165	\$0.0179	\$0.0014	8.46%
OFF-PEAK KWH	\$0.0135	\$0.0146	\$0.0011	8.46%

POWER FURNACE

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$0.00	\$0.00	\$0.00	0.00%
ENERGY CHARGE:				
SUMMER KWH	\$0.0420	\$0.0456	\$0.0036	8.46%
WINTER KWH	\$0.0420	\$0.0456	\$0.0036	8.46%

MISCELLANEOUS SERVICE (33)

	<u>CURRENT RATES</u>	<u>STIPULATED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$10.00	\$10.85	\$0.85	8.46%
ENERGY CHARGE:				
SUMMER KWH	\$0.0486	\$0.0527	\$0.0041	8.46%
WINTER KWH	\$0.0486	\$0.0527	\$0.0041	8.46%

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-97-81
CURRENT AND STIPULATED RATES - BY TARIFF
(STATE LINE COMBUSTION NO.2 IN SERVICE)

PRIVATE LIGHTING

	<u>CURRENT</u> <u>RATES</u>	<u>STIPULATED</u> <u>RATES</u>	<u>DIFFERENCE</u> <u>(\$)</u>	<u>(%)</u>
STREET LIGHTING LAMPS:				
MERCURY VAPOR				
6800 LUMENS	\$7.78	\$8.44	\$0.66	8.46%
20000 LUMENS	\$12.94	\$14.04	\$1.10	8.46%
54000 LUMENS	\$24.82	\$26.92	\$2.10	8.46%
SODIUM VAPOR				
6000 LUMENS	\$7.19	\$7.80	\$0.61	8.46%
16000 LUMENS	\$10.46	\$11.35	\$0.89	8.46%
50000 LUMENS	\$17.54	\$19.02	\$1.48	8.46%
METAL HALIDE				
20500 LUMENS	\$16.18	\$17.55	\$1.37	8.46%
36000 LUMENS	\$18.14	\$19.68	\$1.54	8.46%
FLOOD LIGHTING LAMPS:				
MERCURY VAPOR				
20000 LUMENS	\$18.14	\$19.68	\$1.54	8.46%
54000 LUMENS	\$29.97	\$32.51	\$2.54	8.46%
SODIUM VAPOR				
27500 LUMENS	\$17.59	\$19.08	\$1.49	8.46%
50000 LUMENS	\$24.11	\$26.15	\$2.04	8.46%
140000 LUMENS	\$35.23	\$38.21	\$2.98	8.46%
METAL HALIDE				
36000 LUMENS	\$24.56	\$26.64	\$2.08	8.46%
110000 LUMENS	\$35.88	\$38.92	\$3.04	8.46%
OTHER CHARGES:				
ADDL POLES	\$1.00	\$1.08	\$0.08	8.46%
ADDL ANCHOR	\$1.00	\$1.08	\$0.08	8.46%
ADDL CONDUCTOR	\$0.009	\$0.010	\$0.001	8.46%

MUNICIPAL STREET LIGHTING

	<u>CURRENT</u> <u>RATES</u>	<u>STIPULATED</u> <u>RATES</u>	<u>DIFFERENCE</u> <u>(\$)</u>	<u>(%)</u>
STREET LIGHTING LAMPS:				
INCANDESCENT				
4000 LUMENS	\$32.30	\$35.03	\$2.73	8.46%
10000 LUMENS	\$66.48	\$72.11	\$5.63	8.46%
MERCURY VAPOR				
7000 LUMENS	\$43.87	\$47.58	\$3.71	8.46%
11000 LUMENS	\$52.66	\$57.12	\$4.46	8.46%
20000 LUMENS	\$75.39	\$81.77	\$6.38	8.46%
53000 LUMENS	\$127.20	\$137.97	\$10.77	8.46%
SODIUM VAPOR				
6000 LUMENS	\$41.11	\$44.59	\$3.48	8.46%
16000 LUMENS	\$51.46	\$55.82	\$4.36	8.46%
27500 LUMENS	\$66.97	\$72.64	\$5.67	8.46%
50000 LUMENS	\$95.46	\$103.54	\$8.08	8.46%
130000 LUMENS	\$154.05	\$167.09	\$13.04	8.46%

SPECIAL LIGHTING

	<u>CURRENT</u> <u>RATES</u>	<u>STIPULATED</u> <u>RATES</u>	<u>DIFFERENCE</u> <u>(\$)</u>	<u>(%)</u>
MINIMUM CHARGE	\$23.00	\$24.95	\$1.95	8.46%
ENERGY CHARGE:				
SUMMER				
FIRST 1000 KWH	\$0.0844	\$0.0915	\$0.0071	8.46%
OVER 1000 KWH	\$0.0660	\$0.0716	\$0.0056	8.46%
WINTER				
FIRST 1000 KWH	\$0.0844	\$0.0915	\$0.0071	8.46%
OVER 1000 KWH	\$0.0660	\$0.0716	\$0.0056	8.46%