# Notice of *Ex Parte* Contact

TO: Data Center All Parties in Case No. ER-2008-0093 Chairman Jeff Davis FROM: December 11, 2007 DATE:



On December 11, 2007, my office received a phone call from Wess Henderson, PSC Executive Director, regarding a failed inspection at one of Empire Electric's generating plants. I subsequently spoke with Mr. Henderson who provided me with the attached press releases regarding Empire District Electric Company's failed inspection. Mr. Henderson notified me he received a media inquiry from the Joplin paper asking if the matter would be included in Joplin's current rate case. Mr. Henderson told me that he informed the newspaper that test year for the rate case would be updated to "the end of December 2007." This case, **ER-2008-0093**, is a contested case and, therefore, the Commission is bound by the same *ex parte* rule as a court of law. Accordingly, I am making notice to the parties this communication has been received.

Although communications from members of the public and members of the legislature are always welcome, those communications must be made known to all parties to a contested case so that those parties have the opportunity to respond. According to the Commission's rules (4 CSR 240-4.020(8)), when a communication (either oral or written) occurs outside the hearing process, any member of the Commission or Regulatory Law Judge who received the communication shall prepare a written report concerning the communication and submit it to each member of the Commission and the parties to the case. The report shall identify the person(s) who participated in the *ex parte* communication, the circumstances which resulted in the communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, we submit this report pursuant to the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Commissioners Executive Director Secretary/Chief Regulatory Law Judge General Counsel

# PRESS RELEASE

# SERVICES YOU COUNT ON

#### Contact:

## FOR IMMEDIATE RELEASE

#### MEDIA COMMUNICATIONS

Amy Bass Director of Corporate Communications 417-625-5114 <u>abass@empiredistrict.com</u> INVESTOR RELATIONS Jan Watson Secretary – Treasurer (417) 625-5108 jwatson@empiredistrict.com

#### THE EMPIRE DISTRICT ELECTRIC COMPANY ANNOUNCES EXTENSION OF ASBURY PLANT OUTAGE

JOPLIN, MO, December 10, 2007 - The Empire District Electric Company (NYSE:EDE) announced today that during reassembly of the Asbury generator on the night of December 7, 2007, the unit failed inspection. After investigation and consultation with the contractor and a representative of the manufacturer on December 9, 2007, it was determined that corrective action would be necessary. This additional work will likely require the unit to remain on outage an additional 60 days. This extended outage will require us to replace the energy that would have been generated by Asbury during this 60-day period with energy generated at our gas plants or by buying purchased power. We estimate this will increase our expenses by approximately \$8-10 million during that period, which would result in an approximately \$4-5.5 million decrease in net income during the same period. This would also have a corresponding reduction of \$4-5.5 million in our retained earnings, which is generally the amount available to pay out dividends on our common stock. Our retained earnings as of October 31, 2007 (after giving effect to the accrual for the December 15, 2007 dividend) was approximately \$15.6 million. We are exploring alternatives to minimize the short-term impact of these expenses on our retained earnings. We do not expect this short-term issue to affect our long-term plans of building rate-based infrastructure to serve our customers or our long-term dividend policy or practice.

Based in Joplin, Missouri, The Empire District Electric Company (NYSE: EDE) is an investorowned, regulated utility providing electricity, natural gas (through its wholly owned subsidiary The Empire District Gas Company), and water service, with approximately 215,000 customers in Missouri, Kansas, Oklahoma, and Arkansas. A subsidiary of the Company also provides fiber optic services.

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Certain matters discussed in this press release are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such statements address future plans, objectives, expectations and events or conditions concerning various matters. Actual results in each case could differ materially from those currently anticipated in such statements, by reason of the factors noted in our filings with the SEC, including the most recent Form 10-K and Form 10-Q.

# PRESS RELEASE



## FOR IMMEDIATE RELEASE

Contact:

Amy Bass 417-625-5114 abass@empiredistrict.com

## EMPIRE DISTRICT ELECTRIC COMPANY WINTER STORM UPDATE – MID-MORNING

JOPLIN, MO – December 11, 2007 – The Empire District Electric Company reports that as of Tuesday at 10 a.m. approximately 58,600 customers remain without service. These are primarily in the Company's Joplin, Webb City, and Kansas service territories. Customers who need to report an outage should call 800-206-2300.

Work on repairing the system and restoring power continues with an additional 250 line workers and 480 tree trimmers on the system today. On Wednesday, an additional 200 line workers are expected to arrive to work on restoration. Throughout the storm all of Empire's crews and support personnel have been engaged in repairs.

As we have stated in earlier releases, this is a multi-day event and persons without power should make provisions to be without power for several days. Power will be restored as quickly and safely possible. Customers are encouraged to check on elderly neighbors who live alone and provide them necessary assistance. For information on shelters in your area, you can contact the Missouri Winter Storm hotline at 888.377.2100.

Our power restoration process is highly organized, and allows us to prioritize our efforts to restore power to the facilities that support large numbers of customers. As the graphic below illustrates, we:

A. first repair damages to the Empire facilities that produce power and the lines that carry it from our plants;

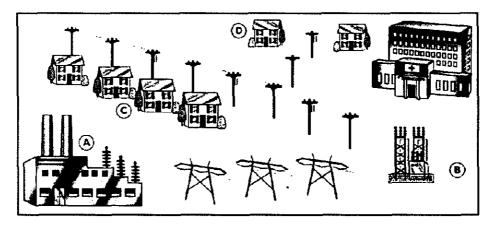
(more)

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B. then focus on restoring power to the customers who provide essential services to your community, such as hospitals, police, and fire stations;

C. next repair damage that will return power to the greatest number of customers in the least amount of time; and

D. once major repairs have been made, we begin working to restore small groups and individual customers.



Customers who have had their service entrance damaged or pulled away from their home need to contact a licensed electrician for repairs. Repairs need to be made before Empire can safely restore service. For more information on service entrance equipment that needs to be maintained by customers, please visit www.empiredistrict.com and click on "Meter Base Information."

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