

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of The Empire District Gas Company of)
Joplin, Missouri for Authority to File Tariffs Increasing) **File No. GR-2009-0434**
Rates for Gas Service Provided to Customers in the) **Tariff No. YG-2009-0855**
Missouri Service Area of the Company.)

SUSPENSION ORDER AND NOTICE, ORDER SETTING HEARINGS, AND ORDER DIRECTING FILING

Issue Date: June 12, 2009

Effective Date: June 12, 2009

Procedural History

On June 5, 2009, The Empire District Gas Company submitted to the Missouri Public Service Commission certain proposed tariff sheets, Tariff File No. YG-2009-0855. The purpose of the filing, according to Empire, is to implement a general rate increase for retail natural gas service. Empire states that the new natural gas service rates are designed to produce an additional \$2.9 million annually in new natural gas revenues, exclusive of applicable taxes and fees. This is a 4.87 percent increase over existing revenues.

Empire states that the "[o]ngoing declines in annual usage per customer and declines in the overall customers served coupled with an existing rate design that is dependent on overall volumes have driven the need for a rate increase and a significant move toward straight-fixed variable rate design." The tariff sheets attached to Empire's filing bear an effective date of July 5, 2009. Together with its proposed tariff sheets and other minimum filing requirements, Empire also filed prepared direct testimony in support of its requested rate increase.

The Commission's Authority to Suspend Proposed Tariffs:

Section 393.150, RSMo 2000, authorizes the Commission to suspend the effective date of a proposed tariff of a gas corporation for 120 days plus an additional six months so that the Commission may have a hearing on the matter. The same statute further imposes the burden of proof on the company to show that its proposed increased rate is just and reasonable. In order to allow sufficient time to study the effect of the proposed tariffs and to determine whether they are just, reasonable, and in the public interest, the Commission will suspend the proposed tariffs for a period of 120 days beyond the requested effective date. Furthermore, because the Commission cannot conclude a hearing on the proposed tariffs within the 120-day suspension, the Commission will suspend the proposed tariffs for an additional six months.

Test Year and True-up Recommendations:

Empire used a historical test year ending December 31, 2008, to be updated for known and measurable changes through June 30, 2009.¹ In addition, Empire states that it is uncertain of the need for a true-up but requests that the Commission reserve a true-up hearing date.² To quickly resolve test year and true-up questions, the Commission will require the other parties to promptly state their positions regarding Empire's test year proposal and the need for a true-up.

Hearing Dates, Customer Notice, and Prehearing Conference:

The Commission will schedule the evidentiary hearing dates in this order and will reserve dates for a true-up hearing. By establishing the hearing dates now, the

¹ Direct Testimony of Kelly S. Walters, filed June 5, 2009; Direct Testimony of Janya R. Long, filed June 5, 2009, p. 17.

² Direct Testimony of Janya R. Long, p. 17.

Commission will ensure that it hears this matter as expeditiously as possible. Additionally, the early establishment of the hearing dates will allow ample time for notice to customers. Empire must give notice to customers as directed in the ordered paragraphs below.

The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule with: additional filing dates for testimony; a second prehearing conference or settlement conference, if necessary; the statement of issues list; the position statements of the parties or pretrial briefs or both; and the reconciliation. The Staff of the Commission will have primary responsibility for preparing the proposed procedural schedule. Staff shall coordinate the proposed schedule with Empire, the Office of the Public Counsel, and any intervenors, where possible.

In addition, the Commission will direct the parties to file recommendations as to the number, date, time, and location of local public hearings to be held in this matter. Dates for local public hearings should be at least one week after the filing of all direct testimony.

Intervention:

The Commission will allow 20 days from the issuance of this order for the filing of any application to intervene. The Commission's Data Center shall serve a copy of this order upon the county commission of each county in Empire's service area, and upon every party to Case No. GR-2004-0072.³ In addition, the Commission's Public Information Office shall make notice of this order available to the media serving Empire's service area and to the members of the General Assembly representing the residents of Empire's service area.

³ GR-2004-0072 was the last rate case involving these properties when the system was owned by Aquila, Inc.

THE COMMISSION ORDERS THAT:

1. The proposed natural gas service tariff sheets submitted under Tariff File No. YG-2009-0855 on June 5, 2009, by The Empire District Gas Company for the purpose of increasing rates for retail natural gas service to customers are suspended for 120 days, from July 5, 2009, to November 2, 2009. The specific sheets suspended are:

P.S.C. MO. No. 2

1st Revised Sheet No. 2, Cancelling Original Sheet No. 2
1st Revised Sheet No. 9, Cancelling Original Sheet No. 9
1st Revised Sheet No. 10, Cancelling Original Sheet No. 10
1st Revised Sheet No. 11, Cancelling Original Sheet No. 11
Original Sheet No. 11.a
1st Revised Sheet No. 12, Cancelling Original Sheet No. 12
1st Revised Sheet No. 13, Cancelling Original Sheet No. 13
1st Revised Sheet No. 14, Cancelling Original Sheet No. 14
1st Revised Sheet No. 15, Cancelling Original Sheet No. 15
1st Revised Sheet No. 16, Cancelling Original Sheet No. 16
1st Revised Sheet No. 17, Cancelling Original Sheet No. 17
1st Revised Sheet No. 18, Cancelling Original Sheet No. 18
1st Revised Sheet No. 19, Cancelling Original Sheet No. 19
1st Revised Sheet No. 20, Cancelling Original Sheet No. 20
1st Revised Sheet No. 21, Cancelling Original Sheet No. 21
1st Revised Sheet No. 22, Cancelling Original Sheet No. 22
1st Revised Sheet No. 23, Cancelling Original Sheet No. 23
1st Revised Sheet No. 24, Cancelling Original Sheet No. 24
1st Revised Sheet No. 25, Cancelling Original Sheet No. 25
1st Revised Sheet No. 26, Cancelling Original Sheet No. 26
1st Revised Sheet No. 27, Cancelling Original Sheet No. 27
1st Revised Sheet No. 28, Cancelling Original Sheet No. 28
1st Revised Sheet No. 29, Cancelling Original Sheet No. 29
1st Revised Sheet No. 30, Cancelling Original Sheet No. 30
1st Revised Sheet No. 31, Cancelling Original Sheet No. 31
1st Revised Sheet No. 32, Cancelling Original Sheet No. 32
1st Revised Sheet No. 33, Cancelling Original Sheet No. 33
1st Revised Sheet No. 34, Cancelling Original Sheet No. 34
1st Revised Sheet No. 35, Cancelling Original Sheet No. 35
1st Revised Sheet No. 36, Cancelling Original Sheet No. 36
1st Revised Sheet No. 37, Cancelling Original Sheet No. 37
1st Revised Sheet No. 38, Cancelling Original Sheet No. 38
1st Revised Sheet No. 39, Cancelling Original Sheet No. 39
1st Revised Sheet No. 40, Cancelling Original Sheet No. 40
1st Revised Sheet No. 41, Cancelling Original Sheet No. 41
1st Revised Sheet No. 42, Cancelling Original Sheet No. 42

P.S.C. MO. No. 2

1st Revised Sheet No. 43, Cancelling Original Sheet No. 43
1st Revised Sheet No. 44, Cancelling Original Sheet No. 44
1st Revised Sheet No. 45, Cancelling Original Sheet No. 45
1st Revised Sheet No. 46, Cancelling Original Sheet No. 46
1st Revised Sheet No. 47, Cancelling Original Sheet No. 47
1st Revised Sheet No. 48, Cancelling Original Sheet No. 48
1st Revised Sheet No. 49, Cancelling Original Sheet No. 49
1st Revised Sheet No. 50, Cancelling Original Sheet No. 50
1st Revised Sheet No. 51, Cancelling Original Sheet No. 51
1st Revised Sheet No. 52, Cancelling Original Sheet No. 52
1st Revised Sheet No. 53, Cancelling Original Sheet No. 53
1st Revised Sheet No. 68, Cancelling Original Sheet No. 68
1st Revised Sheet No. 69, Cancelling Original Sheet No. 69
1st Revised Sheet No. 70, Cancelling Original Sheet No. 70
1st Revised Sheet No. 71, Cancelling Original Sheet No. 71
Original Sheet No. 71c
Original Sheet No. 71d
Original Sheet No. 71e
Original Sheet No. 71f
Original Sheet No. 71g
Original Sheet No. 71h
Original Sheet No. 72
1st Revised Sheet No. R-1, Cancelling Original Sheet No. R-1
1st Revised Sheet No. R-2, Cancelling Original Sheet No. R-2
1st Revised Sheet No. R-8, Cancelling Original Sheet No. R-8
1st Revised Sheet No. R-22, Cancelling Original Sheet No. R-22
1st Revised Sheet No. R-27, Cancelling Original Sheet No. R-27
1st Revised Sheet No. R-29, Cancelling Original Sheet No. R-29
1st Revised Sheet No. R-41, Cancelling Original Sheet No. R-41
1st Revised Sheet No. R-52, Cancelling Original Sheet No. R-52
1st Revised Sheet No. R-53, Cancelling Original Sheet No. R-53

2. The proposed natural gas service tariff sheets suspended in ordered paragraph 1, above, under Tariff File No. YG-2009-0855, are suspended an additional six months beyond November 2, 2009, to May 2, 2010, unless otherwise ordered by the Missouri Public Service Commission.

3. Any application for intervention must be filed no later than July 2, 2009, with:

Secretary
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102-0360

or electronically at: www.psc.mo.gov.

4. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any persons or entities requesting intervention must file, on or before July 13, 2009, a pleading either indicating concurrence in The Empire District Gas Company's recommended test year or recommending alternatives.

5. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any intervenors must file, on or before July 13, 2009, a pleading stating their recommendation concerning a true-up.

6. An early prehearing conference is hereby scheduled for this case on July 16, 2009, at 10:00 a.m. The early prehearing conference will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

7. Any party wishing to participate in the early prehearing conference by phone must notify the Presiding Judge no later than July 9, 2009, by telephone to 573-751-4393 or by e-mail to nancy.dippell@psc.mo.gov.

8. The parties shall jointly or separately file a proposed procedural schedule as described in this order on or before July 23, 2009.

9. The parties and any intervenors shall file recommendations as to the times, dates and locations for local public hearings in this case on or before July 23, 2009.

10. An evidentiary hearing is hereby scheduled for this case as follows: December 10 to December 11, 2009, and December 14 to December 18, 2009. The hearing will commence at 9:00 a.m. on Thursday, December 10, 2009. The evidentiary

hearing will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

11. January 28–29, 2010, are reserved for a true-up hearing, if necessary. The true-up hearing will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

12. The Empire District Gas Company must notify each affected customer of the hearings scheduled in this case, either by a notice on, or accompanying, a bill; or by a separate notice, at least ten days, but not more than 45 days, prior to any local public hearings or the evidentiary hearing, unless otherwise ordered by the Missouri Public Service Commission. The form of the notice shall be agreed upon by the parties and shall be filed for the Commission's approval no later than July 23, 2009.

13. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county in The Empire District Gas Company's Missouri service area and upon every party to Case No. GR-2004-0072.

14. The Missouri Public Service Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the residents of The Empire District Gas Company's Missouri service area and to the news media serving those residents.

15. All hearings and conferences ordered or contemplated in this order will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. Any person needing additional accommodations to participate in any hearing or conference shall call the Missouri Public Service Commission's Hotline at 800-392-4211 (voice) or Relay Missouri at 711 prior to the date of that event.

16. This order shall become effective upon issuance.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Nancy Dippell, Deputy Chief Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 12th day of June, 2009.