

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of The Empire District Electric)	
Company of Joplin, Missouri for Authority)	
to File Tariffs Increasing Rates for Electric)	<u>Case No. ER-2008-0093</u>
Service Provided to Customers in the Missouri)	Tariff File No. YE-2006-0205
Service Area of the Company.)	

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

Issue Date: October 3, 2007

Effective Date: October 3, 2007

Procedural History

On October 1, 2007, The Empire District Electric Company submitted to the Missouri Public Service Commission certain proposed tariff sheets, Tariff File No. YE-2008-0205. The purpose of the filing, according to Empire, is to implement a general rate increase for retail electric service provided by the Company. Empire states that the new retail electric service rates are designed to produce an additional \$34,725,203 in gross annual electric revenues excluding gross receipts, sales, franchise, and occupational taxes, a 10.11% increase over existing revenues.

Empire states that the "major factors driving Empire's proposed rate increase are the capital additions to Empire's system including the Riverton 12 generating plant and pollution control facilities at the Asbury Power station; the financial impact, both capital and expense, related to the January 2007 ice storm; and capital expenditures associated with Empire's participation in the construction and ownership of the Iatan II and Plum Point

coal-fired generating plants. Other costs associated with providing safe and reliable electric service to Empire's customers have also increased since Empire's last rate adjustment." Empire is also requesting the implementation of a fuel adjustment clause. The tariff sheets attached to Empire's pleading bear issue dates of October 1, 2007, and are proposed to become effective on October 31, 2007. Together with its proposed tariff sheets and other minimum filing requirements, the Company 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 for 120 days plus an additional six months to allow for a hearing on the matter. So that the Commission will have sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable, and in the public interest, the proposed tariffs will be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on the proposed tariffs cannot be concluded within 120 days, the proposed tariffs will be suspended for an additional six months.

Test Year, True-up and Local Public Hearing Recommendations:

The direct testimony of Empire witness, W. Scott Keith, filed in support of the proposed tariff, indicates that Empire used a test year ending June 30, 2007, adjusted for known and measurable changes. Through Keith's testimony, Empire proposes that a true-up of the financial information be made as of December 31, 2007. So that the test year and true-up questions can be quickly resolved, the Commission will require the other parties to promptly state their positions regarding Empire's true-up and test year proposals.

In addition to test year and true-up recommendations, the Commission will direct the parties to file recommendations regarding the number, date, time, and location of local public hearings to be held in this matter. Local public hearings should not be scheduled until at least one week has passed after the filing of all direct testimony; that is, both revenue requirement and rate design.

Hearing Dates, Customer Notice, and Prehearing Conference:

The Commission will schedule an evidentiary hearing in this order and will reserve dates for a true-up hearing. By establishing the hearing dates now, the Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the early establishment of the hearing dates will allow ample time for notice to be sent to customers. The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule. Staff will have primary responsibility for preparing the proposed procedural schedule, but should coordinate the proposed schedule with the other parties as much as possible.

Notice and Intervention:

The Commission's Data Center shall serve a copy of this order upon the county commission of each county in the Company's service area, as well as upon every party to Empire's last rate case. 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. The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file an application to intervene.

IT IS ORDERED THAT:

1. The proposed electric service tariff sheets submitted under Tariff File No. YE-2008-0205 on October 1, 2007, by The Empire District Electric Company for the purpose of increasing rates for retail electric service to customers are suspended for 120 days, from October 31, 2007, to February 28, 2008. The specific sheets suspended are:

P.S.C. Mo. No. 5, Section A

23rd Revised Sheet No. 1, Canceling 22nd Revised Sheet No. 1

P.S.C. Mo. No. 5, Section 1

14th Revised Sheet No. 1, Canceling 13th Revised Sheet No. 1

P.S.C. Mo. No. 5, Section 2

**13th Revised Sheet No. 1, Canceling 12th Revised Sheet No. 1
13th Revised Sheet No. 2, Canceling 12th Revised Sheet No. 2
13th Revised Sheet No. 3, Canceling 12th Revised Sheet No. 3
8th Revised Sheet No. 3a, Canceling 7th Revised Sheet No. 3a
14th Revised Sheet No. 4, Canceling 13th Revised Sheet No. 4
13th Revised Sheet No. 6, Canceling 12th Revised Sheet No. 6
13th Revised Sheet No. 7, Canceling 12th Revised Sheet No. 7
9th Revised Sheet No. 9, Canceling 8th Revised Sheet No. 9
7th Revised Sheet No. 9b, Canceling 6th Revised Sheet No. 9b
8th Revised Sheet No. 13, Canceling 7th Revised Sheet No. 13**

P.S.C. Mo. No. 5, Section 3

**14th Revised Sheet No. 1, Canceling 13th Revised Sheet No. 1
18th Revised Sheet No. 2, Canceling 17th Revised Sheet No. 2
13th Revised Sheet No. 3, Canceling 12th Revised Sheet No. 3
13th Revised Sheet No. 4, Canceling 12th Revised Sheet No. 4**

P.S.C. Mo. No. 5, Section 4

**4th Revised Sheet No. 8, Canceling 3rd Revised Sheet No. 8
3rd Revised Sheet No. 8a, Canceling 2nd Revised Sheet No. 8a
4th Revised Sheet No. 8b, Canceling 3rd Revised Sheet No. 8b
3rd Revised Sheet No. 8c, Canceling 2nd Revised Sheet No. 8c
1st Revised Sheet No. 8d, Canceling Original Sheet No. 8d
1st Revised Sheet No. 8e, Canceling Original Sheet No. 8e
5th Revised Sheet No. 9, Canceling 4th Revised Sheet No. 9
4th Revised Sheet No. 10, Canceling 3rd Revised Sheet No. 10**

**4th Revised Sheet No. 11, Canceling 3rd Revised Sheet No. 11
6th Revised Sheet No. 17, Canceling 5th Revised Sheet No. 17
Original Sheet No. 17a
Original Sheet No. 17b**

P.S.C. Mo. No. 5, Section 5

**6th Revised Sheet No. A, Canceling 5th Revised Sheet No. A
4th Revised Sheet No. 19, Canceling 3rd Revised Sheet No. 19**

2. The proposed electric service tariff sheets suspended in ordered paragraph 1, above, under Tariff File No. YE-2008-0205, are suspended an additional six months beyond February 28, 2008 to August 28, 2008, unless otherwise ordered by the Missouri Public Service Commission.

3. Any proper person or entity desiring to intervene in this matter must file an application no later than October 23, 2007, with:

Colleen M. Dale, Secretary
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102-0360

and send copies to:

James C. Swearengen, Esq.
Brydon, Swearengen & England
312 East Capitol Avenue
Post Office Box 456
Jefferson City, Missouri 65102-0456

Attorney for The Empire District Electric Company

and to:

Office of the Public Counsel
Post Office Box 2230
Jefferson City, Missouri 65102-2230

4. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any persons or entities requesting intervention shall file, on or before

October 31, 2007, a pleading either indicating concurrence in Empire District Electric Company's recommended test year or recommending alternatives to that test year.

5. The Staff of the Missouri Public Service Commission, the Office of the Public Counsel, and any interveners must file, on or before October 31, 2007, a pleading stating their recommendation concerning a true-up.

6. An early prehearing conference is hereby scheduled for this case on November 5, 2007, at 10:00 a.m. The early prehearing conference will be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

7. The parties must file a proposed procedural schedule as described in this order on or before November 13, 2007. The Staff of the Missouri Public Service Commission will have the primary responsibility for preparing and filing the proposed procedural schedule.

8. The Missouri Public Service Commission will conduct local public hearings on the proposed rate increase and will set the times, dates, and locations of these local public hearings in a subsequent order. The parties and intervenors, if any, shall file recommendations as to the times, dates and locations for local public hearings in this case on or before November 13, 2007.

9. An evidentiary hearing is hereby scheduled for this case as follows: May 12, 2008, through May 16, 2008, and May 19, 2008, through May 23, 2008. The hearing will commence at 9:00 a.m. on May 12, 2008. The evidentiary hearing will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

10. June 9, 2008, through June 10, 2008, are reserved for a true-up hearing in this case, in the event that such a hearing is requested, and the Missouri Public Service Commission grants the request. The true-up hearing will be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri.

11. Because the deadline for completion of the hearing process is fixed by law, the Commission is unwilling to continue the scheduled hearing at the last minute to allow the parties more time to negotiate a settlement. Therefore, the parties are put on notice that the Commission will not grant a motion for continuance of the hearing filed less than a month before the beginning of the hearing unless a stipulation and agreement is filed along with the motion for continuance.

12. The Empire District Electric Company shall notify each affected customer of the scheduled hearings. The form and time of the notice shall be agreed upon by the parties and shall be filed for the Commission's approval no later than November 13, 2007.

13. The Data Center of the Missouri Public Service Commission must serve a copy of this order upon the county commission of each county in The Empire District Electric Company's Missouri service area, upon the Mayor of any city not within a county in The Empire District Electric Company's Missouri service area, and upon every party to Empire's last rate case.

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

15. All hearings ordered or contemplated herein will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If any person needs additional accommodations to participate in any hearing, please call the Missouri Public Service Commission's Hotline at 800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

16. This order will become effective on October 3, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is positioned above the printed name.

Colleen M. Dale
Secretary

(S E A L)

Cherlyn D. Voss, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 3rd day of October, 2007.