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July 1, 2005

Missouri Public Service Commission
Attn: Secretary of the Commission
200 Madison Street, Suite 100
P.O. Box 360
Jefferson City, Mo. 65102-0360

RE: Case No. HR-2005-0450

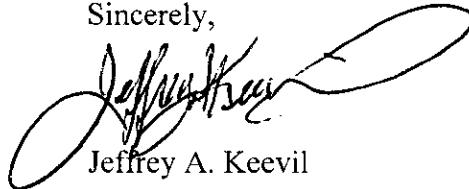
FILED
JUL 01 2005
Missouri Public
Service Commission

Dear Secretary of the Commission:

Enclosed for filing in the above-referenced case is an original and the appropriate number of copies of the RESPONSE OF THE EMPIRE DISTRICT ELECTRIC COMPANY TO AGP'S OBJECTION TO APPLICATION TO INTERVENE.

Copies of this filing have on this date been mailed, hand-delivered, or emailed to counsel for parties of record. Thank you for your attention to this matter.

Sincerely,



Jeffrey A. Keevil

JAK/er

Enclosures

Cc: counsel of record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED
JUL 01 2005

In the Matter of the Tariff Filing of Aquila, Inc.)
To Implement a General Rate Increase for)
Retail Steam Heat Service Provided to Customers)
In its L&P Missouri Service Area.)

Case No. HR-2005-0450

Missouri Public
Service Commission

**RESPONSE OF THE EMPIRE DISTRICT ELECTRIC COMPANY TO
AGP'S OBJECTION TO APPLICATION TO INTERVENE**

COMES NOW The Empire District Electric Company ("Empire") and for its Response to Ag Processing Inc.'s ("AGP") objection to Empire's Application to Intervene in this case states as follows:

1. As stated in Empire's Application to Intervene, as a Commission-regulated public utility Empire has a distinct interest in the Commission's treatment of depreciation of Aquila's plant which is at issue in this case. Although this is a steam rate case, a cursory review of Aquila's filed direct testimony reveals that the case will involve allocation and depreciation of both steam and electric plant. Even if the case somehow did not involve electric plant, Empire has an obvious interest concerning the Commission's policy regarding depreciation methodology for all utility assets. AGP's focus that Empire is not a steam customer of Aquila or a steam system itself is a red herring.

2. How a case such as this can affect another utility, and further evidence of Empire's direct interest in this case, is reflected in the direct testimony in this case of Aquila witness Susan K. Braun, who states that Aquila adjusted its depreciation rates to reflect what she refers to as "the recent policy change . . . in the Empire rate order in Case

No. ER-2004-0570.” At this point, Empire does not and cannot know what position Staff (or anyone else) will take in this case regarding the appropriate policy concerning depreciation methodology for utility assets, and Empire has a clear interest as shown by the excerpt of Ms. Braun’s testimony. Furthermore, Aquila’s apparent reliance on a recent Empire rate order makes granting Empire’s intervention in this proceeding in the public interest as Empire’s participation should aid the Commission in its deliberations.

3. As the Commission is aware, Aquila also has a pending electric rate case. Since this steam case will involve allocation and depreciation of both steam and electric plant, what happens in the steam case may affect the electric case and vice versa, at least with regard to an issue like depreciation. Empire has already been granted intervention in the pending electric case, and should likewise be granted intervention in this case.

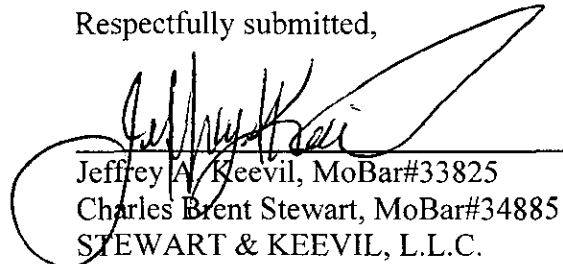
4. Although at this time Empire is unsure of its position regarding the ultimate relief sought herein by Aquila (the rate increase), Empire certainly does not want to see any depreciation methodology policy retreat by the Commission which might adversely impact it in the future after so recently litigating the issue of depreciation in its own rate case. The Commission should also be aware that in the recent Empire rate case, both Aquila and AmerenUE were allowed to intervene *out of time* (which requires good cause for intervention) on the basis of applications to intervene which were substantially similar to the Application to Intervene filed herein by Empire, although Empire’s Application to Intervene herein was not filed out of time.

5. AGP’s speculation that allowing Empire to intervene herein will cause disruption and delay in the proceeding is just that, *i.e.* pure speculation, and is also without merit. Empire timely filed its Application to Intervene; no procedural schedule

has yet been set for this case; and Empire is experienced in complying with Commission rate case schedules. As shown above and in Empire's Application to Intervene, Empire has a direct interest in this matter which is different from that of the general public, which may be adversely impacted by a final order arising from this case and which cannot be adequately represented by any other party to this proceeding, and therefore seeks to intervene herein and become a party to this case for all purposes. Limiting Empire's participation herein to an *amicus* brief as suggested by AGP would not allow Empire to fully and adequately represent that interest, and would deprive the Commission of a full and adequate record in the case.

WHEREFORE, The Empire District Electric Company respectfully requests that the Commission overrule AGP's objection and grant Empire's Application to Intervene and permit Empire to intervene herein and become a party to this proceeding for all purposes.

Respectfully submitted,

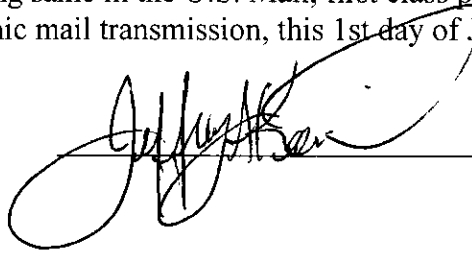


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ATTORNEYS FOR
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing was sent to counsel for parties of record by depositing same in the U.S. Mail, first class postage prepaid, by hand-delivery, or by electronic mail transmission, this 1st day of July, 2005.



A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be 'Jeffrey A. ...'.