

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

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

Case No. ER-97-81

FILED  
JUN 6 1997  
MISSOURI  
PUBLIC SERVICE COMMISSION

JOINT NOTICE OF AGREEMENT IN PRINCIPLE  
AND JOINT MOTION FOR EXTENSION OF TIME

Comes now The Empire District Electric Company ("Empire") and the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for their notice to the Commission respectfully state as follows:

1. On June 2, 1997, Empire filed a motion requesting that the Commission change the cut-off date for isolated adjustments in this case to June 21, 1997, due to unanticipated problems with State Line Unit No. 2 ("State Line 2"). Empire also requested the parties to the Unanimous Stipulation and Agreement to negotiate changes to the Unanimous Stipulation and Agreement to address the same change in the May 31, 1997 "cut-off date" used in that document.

2. Separately, the Commission held a true-up hearing in this docket on May 23, 1997. An issue involving payroll expense was discussed at that hearing. On May 23, 1997, the Commission issued a Notice which said that briefs on the payroll issue would be due at the close of business on June 6, 1997. It also requested either an agreement or a procedural schedule and hearing memorandum for the hearing of issues regarding the plant on the same date.

3. This pleading is to notify the Commission that the Staff and Empire have very recently reached an agreement in principle which would obviate the necessity of the Commission having to rule on the payroll issue. It would also settle issues regarding the State Line Unit 2 plant, as more particularly discussed herein. Staff and Empire have not had sufficient time to produce a formal document containing the agreement for filing with the Commission.

4. In addition, the other parties to the case, ICI, Praxair and the Office of the Public Counsel, have only recently been apprised of these negotiations and the agreement in principle due to several factors, one of which was the vacation of the attorney for the Office of the Public Counsel, so they have not had an opportunity to study the agreement reached between Empire and Staff. Empire and Staff will be discussing the agreement with those parties.

5. The agreement in principle between Empire and the Staff has these basic terms:

A. Empire and Staff agree to settle on the revenue requirement shown on Schedule 2 of David Winter's supplemental true-up testimony, which is \$13,941,377 on the assumption that State Line 2 meets the in-service criteria contained in the prepared direct testimony of C. Bruce Deering, on or before midnight on June 21, 1997. The \$13,941,377 is subject to 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 on or before that time, the agreed-upon revenue requirement will be the \$10,589,364 shown on Schedule 1 of Mr. Winter's testimony.

B. Empire will not pursue the payroll issue discussed at the true-up hearing on May 23 and the Commission will therefore not have to decide that issue.

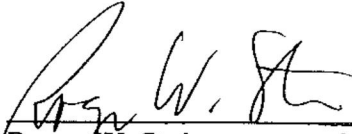
C. Empire will not seek, in this proceeding, to recover in rates amounts paid

to Westinghouse after May 31, 1997, such amounts having been discussed on page 4 of Mr. Winter's Supplemental True-Up testimony (Exhibit TU-2).

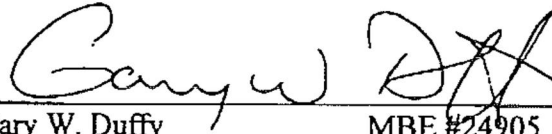
D. Due to this agreement, Staff will not be filing a brief on the payroll issue on June 6. Since the other parties have not had an opportunity to participate in the negotiations leading up to this agreement, and may wish to contest the payroll issue by filing a brief, Empire will be filing its brief on the payroll issue as authorized by the Commission. Empire will abandon its position on the payroll issue in this case if the Commission ultimately approves the terms of the agreement above between Staff and Empire. In the event the Commission does not approve the terms of the agreement above between Staff and Empire, Staff requests that it be granted an extension to permit it to file a brief on the payroll issue three days after the rejection of the agreement. Empire does not oppose this extension.

6. In summary, Staff and Empire have reached an agreement in principle which would resolve all outstanding issues between them. Staff and Empire will be negotiating with ICI, Praxair, and the Office of the Public Counsel, to join in that agreement in principle to make it unanimous and to file same with the Commission as soon as possible.

Respectfully submitted,



Roger W. Steiner MBE #39586  
Assistant General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102  
(573) 751-7434  
(573) 751-9285 (facsimile)



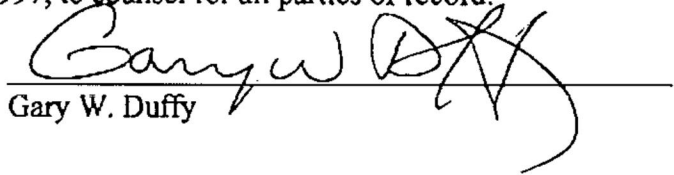
Gary W. Duffy MBE #24905  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 E. Capitol Avenue  
P. O. Box 456  
Jefferson City, MO 65102  
(573) 635-7166  
(573) 635-3847 facsimile

ATTORNEYS FOR THE STAFF OF THE  
MISSOURI PUBLIC SERVICE  
COMMISSION

ATTORNEYS FOR THE EMPIRE DISTRICT  
ELECTRIC COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was either mailed or hand-delivered on June 6, 1997, to counsel for all parties of record.

  
Gary W. Duffy

setl.not/gdede7/wpw

Service List  
Case No. ER-97-81  
Revised: June 6, 1997

Stuart W. Conrad  
Finnegan, Conrad & Peterson  
1209 Penntower Office Center  
3100 Broadway  
Kansas City, MO 64111

The Office of the Public Counsel  
P. O. Box 7800  
Jefferson City, MO 65102

James C. Swearengen  
312 East Capitol  
P. O. Box 456  
Jefferson City, MO 65102

Donald E. Johnstone  
Brubaker & Associates  
1215 Fern Ridge Parkway, Suite 208  
P. O. Box 412000  
St. Louis, MO 63141-2000