

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of July, 1990.

In the matter of the application of The Empire)
District Electric Company for a waiver of)
4 CSR 240-14 and portions of its electric) CASE NO. EO-90-320
regulations with regard to Gimlin Developments)
Subdivision in Christian County, Missouri.)

AMENDED ORDER APPROVING VARIANCE
AND DENYING MOTION FOR REHEARING

On May 22, 1990, The Empire District Electric Company (Empire) filed an application with the Commission in which it requested a variance from 4 CSR 240-14 in order to compete with White River Valley Electric Cooperative, Inc. (White River). On June 4, 1990, White River filed an Application To Intervene. In its application White River stated that as an electric utility operating in the area served by Empire it has a direct interest in the instant proceeding. White River further stated that its participation was necessary to ensure that it would not be adversely affected by the authority requested by Empire.

On June 12, 1990, Empire filed a First Amended Application For Waiver. This was due to a misunderstanding of White River's policy of charges. Empire amended its application to change the effect of this waiver from \$10,566 to \$7,056.

On June 15, 1990, Staff filed a recommendation. Staff recommended approval of the variance. Staff states that the estimated cost to be waived is \$882 per lot, while the expected annual revenue from the homes will be \$1,533. Staff states that any ratemaking determination concerning the construction should be addressed in a general rate proceeding. In addition, Staff recommended that Empire submit a tariff allowing for variances.

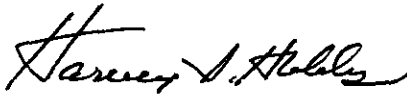
On June 22, 1990, White River filed a Motion For Rehearing. White River stated that the Commission's decision denying their Application To Intervene was arbitrary and capricious and that the Commission violated its own standards which violated White River's fundamental right to be heard. White River in their motion also stated they did not expect the result of the order to be changed, but that the order should reflect the fact that a hearing was not necessary because of their withdrawal of opposition to the Amended Application.

The Commission determines that it should, sua sponte, amend its order issued June 15, 1990, to reflect that the Commission has considered Empire's First Amended Application For Waiver. The Commission has determined that the waiver will still be granted, pursuant to the First Amended Application. The Commission has determined that the need to meet unregulated competition provides good cause to waive the tariff charges but any ratemaking treatment will be addressed in a general rate case. The Commission has no record of the withdrawal of White River's application to intervene and, therefore, this fact was not mentioned in its original Order Approving Variance. Also the Commission recommends that Empire file a tariff which allows for variances from its tariffs.

IT IS THEREFORE ORDERED:

1. That the variance requested by The Empire District Electric Company in its First Amended Application be hereby granted.
2. That the Motion For Rehearing filed by White River Valley Electric Cooperative on June 22, 1990, be denied.
3. That this Order shall become effective on the date hereof.

BY THE COMMISSION


Harvey G. Hubbs
Secretary

(S E A L)

Steinmeier, Chm., Mueller, Rauch,
and Letsch-Roderique, CC., Concur.
McClure, C., Absent.