

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

In the matter of the application of)	
The Empire District Electric Company)	
for the issuance of an Accounting)	Case No. _____
Authority Order relating to its)	
electrical operations and for a contingent)	
waiver of the notice requirement)	
of 4 CSR 240-4.020(2).)	

APPLICATION

Comes now The Empire District Electric Company (“Empire” or the “Company”), by and through counsel, and, for its application pursuant to §§386.250, 393.140, RSMo and 4 CSR 240-2.060 for the issuance of an Accounting Authority Order (“AAO”) authorizing Empire to make certain accounting entries relating to its electrical operations and for a contingent waiver of the notice requirement of 4 CSR 240-4.020(2), respectfully states as follows to the Missouri Public Service Commission (“Commission”):

Empire

1. Empire is a Kansas corporation with its principal office and place of business at 602 South Joplin Avenue, Joplin, Missouri 64801. Empire is engaged in the business generally of providing electrical and water utility services in Missouri to customers in its service areas. Empire is an “electrical corporation,” a “water corporation,” and a “public utility” as those terms are defined in § 386.020 RSMo 2000, and is subject to the jurisdiction and supervision of the Commission as provided by law. Empire also provides natural gas service in Missouri through a wholly-owned subsidiary. A subsidiary of the Company also provides fiber optic services.

2. Empire has no pending or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or which involve challenges to its rates, which have occurred within the three years immediately preceding the filing of this application except the appeal of its Missouri electric rate case which was the subject of Case No. ER-2008-0093 and is now pending in the Missouri Court of Appeals, Western District. Empire has no overdue Commission annual reports or assessment fees.

3. Empire's documents of incorporation have been previously filed with the Commission in Case No. EF-94-39 and said documents are incorporated herein by reference in accordance with 4 CSR 240-2.060(1)(G). A Certificate of Authority from the Missouri Secretary of State to the effect that Empire, a foreign corporation, is duly authorized to do business in the State of Missouri was filed with the Commission in Case No. EM-2000-369 and is incorporated herein by reference.

4. All communications, notices, orders and decisions respecting this application and proceeding should be addressed to:

Kelly Walters
Vice President and Chief Operating Officer - Electric
The Empire District Electric Company
602 South Joplin Avenue
P.O. Box 127
Joplin, Missouri 64802
417/625-6188

James C. Swearengen
Dean L. Cooper
Brydon, Swearengen & England P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, Missouri 65101-0456
573/635-7166

5. By this application, Empire seeks an AAO from the Commission authorizing the Company to undertake certain accounting procedures in connection with its electrical operations and a waiver of the notice provisions of 4 CSR 240-4.020(2), if necessary, all as more specifically described herein.

The May 22, 2011 Tornado and the Joplin Community

6. On Sunday, May 22, 2011, at approximately 5:40 p.m., what has been described as the worst tornado in the United States in the last 60 years and one of the deadliest in American history, struck Joplin, Missouri, the largest City served by Empire. The tornado followed a six mile long path through the middle of Joplin destroying much of the city's central and south side. Thousands of homes and businesses as well as schools and churches were destroyed by winds reported to have exceeded 200 mph. The tornado was designated by the National Weather Service as an EF-5, the strongest category on the Enhanced Fujita Scale. As of June 6, 2011, the resulting death toll is 141 according to the Missouri Department of Public Safety. More than 900 people are estimated to have been injured. The Joplin Chamber of Commerce reports that at least 300 businesses and 4,000 jobs have been affected by the tornado. A map showing the path of the tornado is marked Appendix 1 attached hereto and made a part hereof for all purposes.

Empire's Circumstances and Actions

7. Customers in Joplin as well as other communities served by Empire have experienced outages due to the tornado and related severe weather. In addition to Empire's line crews, over 200 additional linemen and over 100 vegetation management personnel are working to repair the Company's electrical system and restore customers to service. Empire currently estimates the cost of rebuilding and repairing the damage to its system resulting from the tornado and severe weather to be in the range of \$20 to \$30 million. This includes expenditures necessary to rebuild a substation as well as to rebuild miles of transmission and distribution facilities back to the perimeter of the destroyed area. Additional expenditures will be necessary to replace the infrastructure within the destroyed area. The amount of these additional costs will necessarily depend on what is rebuilt and when the rebuilding occurs. Other costs will include depreciation and carrying costs associated with the capital expenditures related to the replacement facilities, and other related operation and maintenance expense. In addition to these costs, Empire's sales have been, and will continue to be, significantly reduced due to the number of customers impacted by the tornado. The Company estimates that approximately 8,000 residential, commercial and industrial customers in Joplin have damaged or destroyed structures and approximately 80% of those customers will not be ready for service in the foreseeable future. These include St. John's Hospital, one of Empire's top ten customers, as well as other large commercial customers. The loss of the fixed cost components¹ of the Company's rates resulting from these lost sales may adversely affect the Company's financial condition.

¹ Filed tariff rates less the variable cost component of fuel and purchased power.

8. As a result of these events, Empire's Board of Directors has suspended the Company's quarterly dividend for the remainder of 2011. Based on current conditions and knowledge, the Board of Directors currently expects that the dividend will be reestablished at an approximate level of twenty-five cents per quarter after a two quarter suspension. A copy of the Company's press release announcing these events is marked Appendix 2 attached hereto and made a part hereof for all purposes. In addition, these events have created a situation in which the Company will likely have a greater than normal amount of energy available for off-system sales. In this regard, Empire will continue to use its best efforts to maximize such off-system sales in order that its customers receive the benefit of those sales pursuant to the Company's fuel adjustment clause.

9. The above-described expenditures and losses are unusual, extraordinary and material. The Commission has a history of approving deferral and subsequent amortization and recovery through rates of incremental expenses associated with extraordinary casualty losses such as fires, floods, ice and wind storm damage. The magnitude of the damage caused by the May 22, 2011, tornado and related severe weather is an extraordinary and unusual event and is comparable, if not greater in magnitude and effect, to other catastrophic events for which deferrals have been previously authorized.

Accounting Authority Order

10. In view of the foregoing, Empire seeks an order from the Commission authorizing the Company to defer and record to the Uniform System of Accounts Account 182.3, Other Regulatory Assets, the incremental expenses and loss of the fixed

cost components of the Company's rates (net of any insurance proceeds) incurred by Empire and related to the events surrounding the May 22, 2011 tornado and severe weather, all as described herein. In regard to the fixed cost components, Empire will establish a baseline of lost customers within the affected area and thereafter monitor and track, on a monthly basis, the return of customers to its system as Joplin is rebuilt, and thereby be in a position to true-up and adjust as appropriate over the deferral period the deferred amounts representing the lost fixed cost components of its rates. In addition, Empire requests that it be authorized to begin amortization of and recover the involved expenses and losses, which are deferred and recorded in Account 182.3, over a five-year period, commencing with the effective date of rates approved by the Commission in the first electric rate case following Case No. ER-2011-0004. The first electric rate case following Case No. ER-2011-0004 must be filed by Empire no later than 2014.

11. Because the incremental expenses and losses resulting from the tornado and related severe weather are extraordinary and unusual in terms of Empire's overall electric service operations and would have a significant and material impact on the Company's financial results for 2011, the accounting procedures requested are essential to enable Empire to maintain its financial condition and to continue to attract capital for its operations at reasonable rates. Absent the authority sought hereby, Empire will be deprived of an opportunity to fully recover these incremental expenses and losses through rates.

Contingent Request For Waiver

12. In the past, AAO applications have often been processed based on a company filing and a Commission Staff and/or The Office of the Public Counsel written

recommendation. Other such applications have resulted in a hearing. Empire does not know the direction this filing will take or whether it is likely to become a contested case subject to the notice of filing requirement of 4 CSR 240-4.020(2). In any case, this application has been filed as soon as possible after the unforeseeable events of May 22, 2011 described herein and it would serve no purpose to wait additional time before filing the application for Commission approval. Accordingly, should the Commission conclude that the filing of this application is likely to be a contested case and subject to the notice of filing requirement of 4 CSR 240-4.020(2), Empire requests a waiver of the sixty (60) day notice requirement for good cause shown pursuant to 4 CSR 240-4.020(2)(B).

WHEREFORE, Empire respectfully requests that the Commission issue an Accounting Authority Order authorizing Empire to account for and record on its books as a regulatory asset the incremental May 22, 2011 tornado and severe weather related expenses and the lost fixed cost components of its rates, all as more specifically described in paragraph 10, supra; waiving the notice requirement of 4 CSR 240-4.020(2), if necessary; and, granting such other and further relief as the Commission deems necessary or appropriate.


Respectfully submitted,

A handwritten signature in black ink, reading "James C. Swearengen". The signature is written in a cursive style with a large, sweeping "J" and "S".

James C. Swearengen Mo. Bar #21510
Dean L. Cooper Mo. Bar #36592
BRYDON, SWEARENGEN & ENGLAND P.C.
P.O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166
(573) 634-7431 (fax)
LRackers@brydonlaw.com


STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Kelly S. Walters, having been duly sworn upon her oath, states that she is Vice President and Chief Operating Officer – Electric of The Empire District Electric Company and that the matters and things stated in the foregoing application and appendices thereto are true and correct to the best of her information, knowledge and belief.



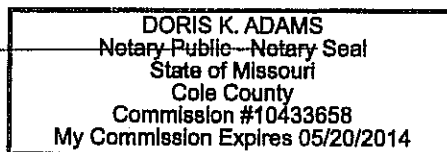
Kelly S. Walters

Subscribed and sworn to before me, a notary public, on this 6th day of June, 2011.



Notary Public

My Commission expires: _____

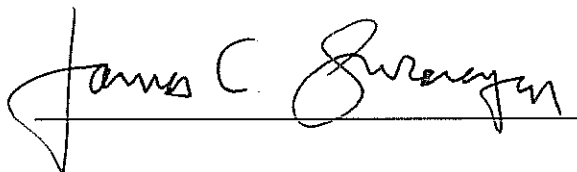


Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via electronic mail on this 6TH day of JUNE, 2011, to:

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Lewis R. Mills, Jr.
Office of the Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

A handwritten signature in black ink, reading "James C. Suranzen", is written over a horizontal line.

List of Appendices

Appendix 1 – Map

Appendix 2 – Press Release