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December 28, 2000

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Secretary/Chief Regulatory Law Judge

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General Counsel

FILED³

DEC 28 2000

*Missouri Public
Service Commission*

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. ER-2001-299

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **PROPOSED PROCEDURAL SCHEDULE AND CLARIFICATION OF TRUE-UP AND UPDATES.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Dennis L. Frey
Associate General Counsel
(573) 751-8700
(573) 751-9285 (Fax)

DLF/lb
Enclosure
cc: Counsel of Record

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

In the Matter of The Empire District)
Electric Company's Tariff Sheets)
Designed to Implement a General Rate)
Increase for Retail Electric Service)
Provided to Customers in the Missouri)
Service Area of the Company)

Case No. ER-2001-299

PROPOSED PROCEDURAL SCHEDULE AND CLARIFICATION OF TRUE-UP AND UPDATES

COME NOW The Empire District Electric Company ("EDE" or "Company"), the Staff of the Missouri Public Service Commission ("Staff"), Praxair, Inc., and the Office of the Public Counsel, hereinafter to be known as "the Parties", and for their Proposed Procedural Schedule and Clarification of True-Up and Update Periods, respectfully state as follows:

1. On November 16, 2000, the Missouri Public Service Commission ("Commission") issued its Suspension Order and Notice, which, *inter alia*, suspended the tariff sheets filed by EDE on November 3, 2000, scheduled an early prehearing conference in this case for December 21, 2000, and ordered that the parties file a proposed procedural schedule no later than December 28, 2000.

2. At the early prehearing conference, which was held as scheduled, the Parties were able to work out a detailed procedural schedule. Accordingly, the Parties hereby propose the following procedural schedule:

Procedural Schedule

Direct testimony-Rev. Req't (parties other than EDE)	April 3, 2001
Direct testimony-Rate Design (parties other than EDE)	April 10, 2001
Prehearing Conference	April 16-20, 2001
Local Public Hearing – Joplin City Hall	week of April 23, 2001
Rebuttal testimony (all parties)	May 3, 2001
Statement of Issues, Order of Witnesses, and Order of Cross-Examination	May 10, 2001
Statement of Positions on the Issues (each party)	May 15, 2001
Surrebuttal/Cross-Surrebuttal testimony (all parties)	May 17, 2001
Reconciliation	May 23, 2001
Evidentiary Hearing	May 29 - June 8, 2001
Briefing Schedule	(to be determined at hearing)
True-Up: Direct testimony	August 7, 2001 (3:00 p.m.)
True-Up: Rebuttal testimony	August 13, 2001 (3:00 p.m.)
True-Up: Surrebuttal testimony	August 17, 2001 (3:00 p.m.)
True-Up Hearing:	August 22-23, 2001
Initial briefs (True-Up only) (expedited transcripts – August 27, 2001)	August 30, 2001
Reply briefs (True-Up only)	September 3, 2001
Operation-of-Law Date	October 2, 2001

3. In recognition of the rather short time period between the suggested dates for holding the true-up hearing and the operation of law date (October 2, 2001), the Parties have deemed it appropriate to include in the procedural schedule proposed dates for the filing of supporting briefs on true-up issues, and suggest that expedited transcripts will be needed. The proposal reflects a compressed time frame for briefing on true-up issues. Briefs on the evidentiary hearing will be scheduled at the conclusion of the evidentiary hearing.

4. In its True-Up Recommendation and Concurrence in Motion of The Empire District Electric Company to Reschedule True-Up Hearing, filed with the Commission on December 15, 2000, the Staff suggested that, in addition to a discussion of a procedural schedule, the Parties attempt to determine whether there are any differences in their proposals regarding test year and true-up. At the prehearing conference, this topic was discussed, and the Parties agreed that some clarification with respect to both the true-up and update periods is warranted.

5. The term "true-up" refers to the calculation of material changes to items specified in the Staff's aforementioned December 15, 2000 true-up recommendation, using updated figures and the calculation methodologies used in the Parties' direct testimony. During the prehearing conference, the Parties discussed the timing of information necessary to do the true-up and also concluded that no events are expected to occur in July 2001 that will materially affect the revenue requirement beyond June 30, 2001. The Parties therefore agree and state that the time period for the true-up should be through June 30, 2001. This represents a compression of the true-up time frame from the Staff's previous suggestion of July 31, 2001. The Parties would note, however, that any invoices associated with the new State Line Combined Cycle ("SLCC") generating unit that are recorded as a liability by EDE in its accounts payable system

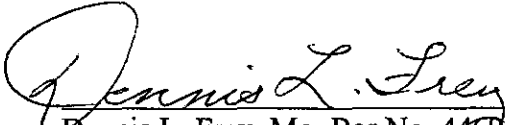
and have been approved and authorized for payment, and are auditable at any time through July 31, 2001, should be included in the true-up audit. No other invoices should be so recognized. The Parties remain in essential agreement as to the items that will be subject to the true-up. These are set forth in Staff's aforementioned December 15, 2000 pleading. Changing the previously indicated July 31 date to a June 30 cut-off will allow sufficient time to complete the true-up process.

6. With regard to updates, the Parties agree that a statement herein defining the term is appropriate. Updates are material known and measurable changes that occur within a reasonable time after the test year; *i.e.*, by June 30, 2001. Examples would include annualizations of wages of new employees hired by the Company following the test year, and recognition of the new postal rates that will go into effect beyond the test year. As noted above, only events/items occurring through June 30, 2001 that are auditable should be considered for inclusion, other than the expenditures for the SLCC unit, as discussed in paragraph 5, if the unit is in-service by June 30, 2001.

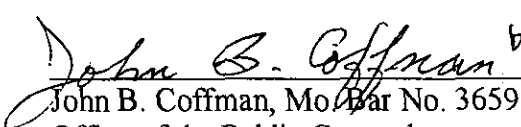
WHEREFORE, the Parties respectfully submit the procedural schedule set forth above and request that it be adopted. The Parties further submit their clarifications regarding true-ups and updates and request that the Commission issue an order adopting the parameters set forth in paragraphs 5 and 6 hereinabove.

Respectfully submitted,

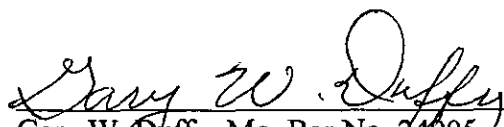
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 28th day of December 2000.

Dennis L. Frey

Service List for
Case No. ER-2001-299
Verified: December 15, 2000 (RR)

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