

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
September 13, 2001**

CASE NO: ER-2001-299

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Enclosed find certified copy of a ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

**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)	Case No. ER-2001-299
Retail Electric Service Provided to Customers in the Missouri)	Tariff No. 200100518
Service Area of the Company.)	

ORDER DIRECTING FILING OF SCENARIOS

The Commission will be aided in its deliberations by receiving information concerning the impact on the revenue requirement of The Empire District Electric Company under different scenarios. The Staff of the Missouri Public Service Commission, with the assistance and cooperation of the parties, will be ordered to file responses to the scenarios described herein. The Commission will also shorten the time for responses to the filed scenarios as ordered below.

Assumptions Common to All Scenarios

For purposes of determining the revenue requirement under the four scenarios, the following assumptions shall be common to each scenario:

- The parties shall use the figures from the Staff's True-Up/Reconciliation of Parties' Positions on the Revenue Requirement Issues, filed on August 31, 2001, except as otherwise specifically provided below.
- The Cost of Service - Bad Debt issue shall be resolved as proposed by Staff.

- The Commission shall allow \$223,500 in incentive payments to be included in cost of service.
- The capital structure utilized shall be that of the company's actual capital structure as of June 30, 2001.
- Staff's proposal regarding the Property Tax issue shall be utilized.
- The issuance costs associated with Empire District Electric Company's trust preferred stock (TOP_RS) shall be calculated the same way that the embedded cost of debt is calculated.
- Staff shall assume, for purposes of completing the scenarios, that the Commission will approve the three Stipulation and Agreements as the resolution of all issues contemplated thereby.¹

The Commission notes that the assumptions made in this order are for hypothetical purposes only and are not to be relied upon as indicators of how the Commission may ultimately decide these issues.

Scenarios

- A.1. Empire's proposal regarding the Cost of Service-Depreciation issues shall be utilized, including Empire's proposal regarding depreciation for plant and facilities at the State Line Power Plant.
- A.2. Staff's proposal regarding the Cost of Service-Depreciation issues shall be utilized, including Staff's proposal regarding depreciation for plant and facilities at the State Line Power Plant.

¹ These agreements are the Unanimous Stipulation and Agreement As To State Line Combined Cycle Unit Capital Costs, the Stipulation and Agreement Regarding In-Service Criteria, and the Unanimous Stipulation and Agreement Regarding Fuel and Purchased Power Expense and Class Cost of Service and Rate Design.

A.3 The Commission rejects both Empire's position and the Staff's position regarding the depreciation issues, and leaves depreciation rates at the currently authorized levels. However, Empire's proposal for calculating depreciation for plant and facilities at the State Line Power Plant shall be utilized.

A.4. The Commission rejects both Empire's position and the Staff's position regarding the depreciation issues, and leaves depreciation rates at the currently authorized levels. However, Staff's proposal for calculating depreciation for plant and facilities at the State Line Power Plant shall be utilized.

Staff shall fully explain the impact on the revenue requirement of each variable described in the scenario, as well as the total revenue requirement for each scenario. Staff shall fully explain the way in which all calculations in the scenarios were performed and shall also fully explain any additional assumptions made in the scenarios.

IT IS THEREFORE ORDERED:

1. That the Staff of the Commission, with the assistance and cooperation of the parties, shall file a pleading responding to the scenarios discussed herein no later than 2:00 p.m. on September 14, 2001. The pleading shall show the impact on the revenue requirement for each variable in the scenario and the total impact on the revenue requirement of that scenario.

2. That any party that disagrees with the response filed by the Staff of the Commission shall file a pleading explaining why it disagrees with that response and setting forth its own response to the scenarios no later than 12:00 p.m., September 17, 2001.

3. That this order shall become effective on September 13, 2001.

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Vicky Ruth, Senior Regulatory Law
Judge, by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 13th day of September, 2001.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 13th day of Sept. 2001.



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge