

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

In the matter of the Application of The)
Empire District Electric Company for)
Authority to Issue and Sell under its)
Existing Indenture of Mortgage and Deed)
of Trust Dated as of September 1, 1944, as)
Amended and Supplemented, up to and)
Including \$255,000,000 Principal Amount)
of its First Mortgage Bonds, in One or)
More Series, and to, Among Other Things,)
Execute and Deliver a Supplemental)
Indenture or Indentures to Provide for the)
Terms of Said Bonds.)

Case No. EF-2006-0263

QUALIFIED CONSENT TO STAFF RECOMMENDED CONDITIONS

Comes now, The Empire District Electric Company ("Empire"), and states as follows:

1. Empire filed an Application with the Missouri Public Service Commission ("Commission") on December 19, 2005, for authority to subject its Missouri utility properties to the lien of its Indenture of Mortgage and Deed of Trust to secure the issuance of up to and including \$255,000,000 of its First Mortgage Bond for the purposes described in the Application.
2. The Commission's Staff ("Staff") filed its Recommendation on March 31, 2006. Generally, Staff has recommended approval of Empire's Application subject to nine (9) specified conditions.
3. Empire has reviewed Staff's Recommendation. The comments provided by Staff concerning Empire and the analysis of its filing are those of Staff and are not necessarily acquiesced in or otherwise adopted by Empire.

4. Except as noted below, Empire has no objection to an order of the Commission approving the Application containing those conditions recommended by Staff.

5. With respect to Staff's proposed condition no. 4, Empire concurs with the purpose and spirit of this language. It is not Empire's intention that proceeds associated with the issuance of its First Mortgage Bonds be used for anything other than regulated purposes. Empire would prefer, however, that the language of this condition track the language of a similar condition in its previous financing application, Case No. EF-2004-0109. In that case, Staff recommended an order approving Empire's request be conditioned as follows:

That the amount of any and all other benefits that accrue to the funds acquired through the issuance securities under this Application, as amended, shall be used exclusively for the benefit of Empire's regulated operations, and not for the other operations of Empire or any of its affiliates or non-regulated activities.

Empire prefers the use of this language because it is broad enough to include both lines of Empire's regulated business, its electric and water utility operations. Staff's Recommendation No. 4 in this case is quite similar, but it is restricted to "regulated electric utility operations." Empire proposes that the word "electric" be omitted from the final version of condition no. 4. Alternatively, the phrase "and water" should be inserted after the word "electric." The language alternatives proposed by Empire would be consistent with past practice and would recognize that Empire's regulated utility operations include more than just its electric utility operations.

WHEREFORE, Empire states it has no objection to the conditional approval of its Application in the captioned matter taking into account the observation contained in paragraph 5 above.

/s/ Paul A. Boudreau
Paul A. Boudreau MO#33155
BRYDON, SWEARENGEN & ENGLAND, P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102

(573) 635-7166 Phone
(573) 635-0427 Fax
paulb@brydonlaw.com

Attorneys for The Empire District Electric
Company

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was delivered by first class mail, electronic mail or hand delivery, on the 7th day of April, 2006, to the following:

Mr. Dennis L. Frey
Senior Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Office of Public Counsel
P.O. Box 2230
Jefferson City MO 65102

/s/ Paul A. Boudreau
Paul A. Boudreau