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OF COUNSEL RICHARD T. CIOTTONE

September 17, 2001

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

FILED SEP 1 7 2001

Missouri Public Service Commission

Dear Mr. Roberts:

DAVID V.G. BRYDON

GARY W. DUFFY

PAUL A. BOUDREAU

SONDRA B. MORGAN

CHARLES E. SMARR

JAMES C. SWEARENGEN

WILLIAM R. ENGLAND, III. JOHNNY K. RICHARDSON

Enclosed for filing on behalf of The Empire District Electric Company, please find an original and eight (8) copies of a Response to Staff's Scenarios.

Copies of this filing will be provided to all parties of record.

Would you please see that this filing is brought to the attention of the appropriate Commission personnel.

I thank you in advance for your cooperation in this matter.

Very truly yours,

James C. Swearengen

JCS/lar Enclosure

cc: All Parties of Record

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

OF THE STA	ATE (OF MISSOURI	FILED
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	SEP 1 7 2001 Service Commission

RESPONSE OF THE EMPIRE DISTRICT ELECTRIC COMPANY TO STAFF'S SCENARIOS

Comes now The Empire District Electric Company ("Empire"), by counsel, and in accordance with the order of the Missouri Public Service Commission ("Commission") issued in the captioned matter on September 13, 2001 for its response to the Scenarios filed by the Missouri Public Service Commission Staff ("Staff") respectfully states as follows:

- 1. In paragraph 3 of its pleading, the Staff addresses four scenarios. Empire disagrees with the Staff's responses to said scenarios in that the Staff fails to breakout the value of what are separate and distinct depreciation issues - net salvage and service depreciation lives - as to both existing plant and SLCC plant. Thus, identifiable revenue requirements exist for each of the two separate and distinct depreciation issues, which revenue requirements are not separately identified in the numbers contained in Staff's responses to Scenarios A1, A2, A3 and A4.
- 2. Empire believes that the difference between Scenario A1 and A2 (the two extremes in terms of revenue requirement) should be \$10,596,718. This includes the following separate and distinct issues and related revenue requirements:

Issue A(2)	•	Net Salvage Existing Plant	\$1,347,446
Issue B(3)		Net Salvage SLCC Plant	\$ 165,000

Issue A(1)	Service Lives Existing Plant	\$5,352,742
Issue B(1) & (2)	Service Lives SLCC Plant	\$2,508,483
	Revenue Deficiency Effect of Above Issues	\$1,223,047

3. Similar differentiations can be derived for Scenarios A3 and A4 to distinguish the revenue requirement impact of the separate and distinct issues of net salvage and service lives as to both existing plant and the SLCC plant.

Respectfully submitted,

James C. Swearengen

#21510

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#24905

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Attorneys for The Empire District Electric Company

Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing document was either hand delivered or placed with the U.S. Postal Service, first class postage prepaid, this / 7 TH day of September, 2001, to the Office of the General Counsel, Office of the Public Counsel and Stuart W. Conrad.

ames C. Swearengen