

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

In the matter of the Tariff Filing of the Empire	)	
District Electric Company of Joplin, Missouri	)	
To Implement a General Rate Increase for	)	Case No. ER-2006-0315
Retail Electric Service Provided to Customers	)	
In the Missouri Service Area of the Company	)	

**EMPIRE’S RESPONSE TO STAFF’S FILING**

COMES NOW The Empire District Electric Company (“Empire”), by and through counsel, and for its Response to the Staff’s Response to January 18, 2008 Filings and Request for Leave to File filed herein on February 7, 2008, respectfully states as follows to the Missouri Public Service Commission (the “Commission”):

1. With their various applications for rehearing filed herein, the Office of the Public Counsel (“Public Counsel”) and Praxair, Inc. and Explorer Pipeline Company (the “Industrials”) allege procedural deficiencies and other errors with respect to the orders issued in this docket by the Commission. Although Empire does not agree with the statements set forth in those applications for rehearing, without conceding any issues, or waiving any of its positions, Empire asserted that certain of the alleged errors could be addressed and resolved upon reconsideration with the issuance of a new report and order. Empire proposed such a Report and Order Upon Reconsideration with its filing on January 18, 2008. For purposes of that filing, Empire started with the original Report and Order issued in this case on December 21, 2006, and then made certain changes and additions, all as shown in redline format. The Staff, with its February 7<sup>th</sup> filing, then made additional changes and additions to Empire’s proposed Report and Order Upon Reconsideration.

2. Empire’s proposed Report and Order Upon Reconsideration does not resolve all issues to the satisfaction of the Company (i.e. the issues addressed in Empire’s Application for Rehearing filed with regard to the December 21, 2006 Report and Order). Instead, Empire

prepared and submitted the proposed Report and Order Upon Reconsideration in an effort to assist the Commission in addressing the alleged procedural deficiencies and other errors with respect to the various orders issued in this case by the Commission. In paragraphs six through eight of their February 7<sup>th</sup> filing, the Staff states that the capital structure issue should also be addressed by the Commission at this time. Empire makes no response to the other suggestions contained within Staff's February 7<sup>th</sup> filing. In the event, however, that the Commission changes its holding with regard to the capital structure issue, Empire submits the following for the Commission's consideration:

Empire's June 30, 2006 capital structure numbers are as follows: long term debt of 43.81 percent; short term debt of 0.0 percent; preferred stock of 5.39 percent, and common equity of 50.80 percent. If this capital structure is used, and taking into account the resulting impact of cash working capital, the Report and Order Upon Reconsideration should be further revised as follows:

Based on the detailed findings set forth below in this Report and Order Upon Reconsideration, the Commission concludes that Empire has a revenue deficiency. Further, as illustrated by the Commission's findings and conclusions on individual issues, all as set out below, the Commission finds and concludes that Empire should be authorized an additional ~~\$27,709,820~~ **\$28,010,433** in traditional revenue requirement (including the IEC), in addition to ~~\$10,469,228~~ **\$10,168,615** for regulatory plan amortizations, for a total of \$38,179,048 additional revenue requirement. With regard to the net rate increase to Empire's customers . . .

WHEREFORE, Empire, without waiving its positions as stated in its various motions and applications pending before the Commission, respectfully submits this Response to Staff's Filing.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND, P.C.

By: \_\_\_\_\_/s/ Diana C. Carter

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**Certificate of Service**

I hereby certify that the foregoing has been sent by United States mail, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record on the 13<sup>th</sup> day of February, 2008.

\_\_\_\_\_/s/ Diana C. Carter