

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
November 16, 2000**

CASE NO: ER-2001-299

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

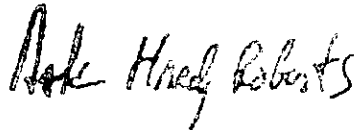
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Stuart W. Conrad
Finnegan, Conrad & Peterson
3100 Broadway, 1209 Penntower Office
Kansas City, MO 64111

Gary Duffy
Brydon, Swearngen & England, P. C.
P. O. Box 456
Jefferson City, MO 65102-0456

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

Sincerely,



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

Uncertified Copies:

To each county commission of each county in the Company's service area.

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office
in Jefferson City on the 16th
day of November, 2000.

In the Matter of The Empire District Electric)	
Company's Tariff Sheets Designed to Implement)	Case No. ER-2001-299
a General Rate Increase for Retail Electric)	Tariff No. 200100518
Service Provided to Customers in the Missouri)	
Service Area of the Company.)	

SUSPENSION ORDER AND NOTICE

On November 3, 2000, Empire District Electric Company (Empire or Company) submitted to the Commission proposed tariff sheets intended to implement a general rate increase for electric service provided to retail customers in the Missouri service area of the Company. The proposed tariff sheets bear a requested effective date of December 3, 2000. The proposed electric service tariff sheets are designed to produce an annual increase of approximately 19.3 percent (\$41,467,926) in the Company's revenues. Together with its proposed tariff sheets and other minimum filing requirements, the Company also filed prepared Direct Testimony in support of its requested rate increase.

In order to allow sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable and in the public interest, the proposed tariffs shall be suspended for a period of 120 days beyond the requested effective date. Furthermore, because a hearing on the proposed tariffs cannot be concluded within the period of suspension above stated, the proposed tariffs shall be suspended for an additional six months beyond the 120th day following the requested effective date.

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Inasmuch as the Commission is required by law to give rate increase cases preference over all other questions pending before it and to decide such cases as quickly as possible, and since the burden of proof that the proposed rates are just and reasonable is upon the company proposing the rates, the Company shall file both its recommendation concerning the proper test year to be used in these proceedings and any request for a true-up no later than two weeks after the date of this order. Any true-up request must include a proposed date to which the Company's financial data is to be brought forward. The Commission has reserved dates for a true-up hearing. The Company's proposal should also specify a complete list of accounts or items of expense, revenues and rate base designed to prevent any mismatch in those areas. The Commission will not consider a true-up of isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time. See In re Kansas City Power & Light Company, 26 Mo. P.S.C. (N.S.) 104, 110 (1983).

The Commission will schedule the hearing dates in this order. By establishing the hearing dates now, the Commission will ensure that this matter is heard as expeditiously as possible. Additionally, the early establishment of the hearing dates will allow ample time for notice to be sent to customers. Company shall give notice to customers as directed in the ordered paragraphs below. The Commission will also set an early prehearing conference and require the parties to file a proposed procedural schedule with additional filing dates for testimony, a second prehearing conference, local public hearings, the statement of issues and position papers of the parties, and the reconciliation. The Staff of the Missouri Public Service Commission (Staff) shall have primary responsibility for the proposed procedural schedule. Staff should coordinate the proposed

schedule with Company and the Office of the Public Counsel (OPC), where possible.

The Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (Public Counsel), and all intervenors shall state their positions regarding the Company's true-up and test year proposals as hereinafter ordered. The test year is the 12-month period which is used to audit a company's books to determine the proper amounts of rate base, expenses and revenues to use in calculating a revenue requirement for a company. A resolution of the test year issue must be made early in the proceedings so that the parties' testimony can be reconciled to the same period. The test year involves an audit of all books and records of a company so that a total revenue requirement can be calculated.

All test year proposals shall include a specific 12-month period as a test year and should include any additional period for which a party has updated significant items from the test year. The test year with the additional period will be called a test year as updated, or updated test year. In addition to a proposed test year or a proposed test year as updated, a party may request isolated changes, such as those imposed by governmental bodies, as part of its case and the Commission will consider whether those isolated changes are known and measurable and whether they should be included in Company's revenue requirement. An issue to be considered in this determination is whether the proposed adjustment affects the matching of rate base, expenses and revenue.

The Commission finds that proper persons should be allowed 20 days from the issuance of this order to file a motion for leave to intervene. The Records Department of the Commission shall serve a copy of this order upon the county commission of each county in the Company's service area. In addition, the Commission's Public Information Office shall send notice

of this order to the publisher of each newspaper located in the counties in which the Company provides service, as listed in the newspaper directory of the current *Official Manual of the State of Missouri*, to the members of the General Assembly representing the residents of the Company's Missouri service area, and to other media serving the Company's Missouri service area.

The parties are advised that any testimony or schedule filed without a protective order first being established shall be considered public information. Any party which considers information to be proprietary or highly confidential must request a protective order to ensure the information is treated as designated. Any such request for a protective order must state sufficient grounds to support the issuance of such an order.

The Commission will authorize Staff to file a complaint seeking a reduction in the company's revenues if its audit reflects that the company's earnings are excessive.

IT IS THEREFORE ORDERED:

1. That the proposed electric service tariff sheets (File No. 200100518) submitted on November 3, 2000, by Empire District Electric Company for the purpose of increasing rates for electric service to retail customers are hereby suspended for a period of 120 days from December 3, 2000, to April 2, 2001. The specific sheets suspended are:

<u>Schedule of Rates for Electricity, PSC Mo. No. 5</u>	
Section A, 14 th Revised Sheet 1, Canceling	Section A, 13 th Revised Sheet 1
Section 1, 10 th Revised Sheet 1, Canceling	Section 1, 9 th Revised Sheet 1
Section 1, Original Sheet 1a	
Section 2, 9 th Revised Sheet 1, Canceling	Section 2, 8 th Revised Sheet 1
Section 2, Original Sheet 1a	
Section 2, 9 th Revised Sheet 2, Canceling	Section 2, 8 th Revised Sheet 2
Section 2, Original Sheet 2a	
Section 2, 9 th Revised Sheet 3, Canceling	Section 2, 8 th Revised Sheet 3
Section 2, Original Sheet 3a	
Section 2, 10 th Revised Sheet 4, Canceling	Section 2, 9 th Revised Sheet 4
Section 2, 7 th Revised Sheet 4a, Canceling	Section 2, 6 th Revised Sheet 4a

Section 2, 9th Revised Sheet 5, Canceling Section 2, 8th Revised Sheet 5
 Section 2, 9th Revised Sheet 6, Canceling Section 2, 8th Revised Sheet 6
 Section 2, 9th Revised Sheet 7, Canceling Section 2, 8th Revised Sheet 7
 Section 2, 4th Revised Sheet 7a, Canceling Section 2, 3rd Revised Sheet 7a
 Section 2, 5th Revised Sheet 9, Canceling Section 2, 4th Revised Sheet 9
 Section 2, 5th Revised Sheet 9a, Canceling Section 2, 4th Revised Sheet 9a
 Section 2, 4th Revised Sheet 9b, Canceling Section 2, 3rd Revised Sheet 9b
 Section 2, 4th Revised Sheet 10, Canceling Section 2, 3rd Revised Sheet 10
 Section 2, 4th Revised Sheet 10a, Canceling Section 2, 3rd Revised Sheet 10a
 Section 2, 4th Revised Sheet 13, Canceling Section 2, 3rd Revised Sheet 13
 Section 2, 3rd Revised Sheet 14, Canceling Section 2, 2nd Revised Sheet 14
 Section 2, 3rd Revised Sheet 14a, Canceling Section 2, 2nd Revised Sheet 14a
 Section 2, 3rd Revised Sheet 14b, Canceling Section 2, 2nd Revised Sheet 14b
 Section 2, 3rd Revised Sheet 14c, Canceling Section 2, 2nd Revised Sheet 14c
 Section 2, 3rd Revised Sheet 14d, Canceling Section 2, 2nd Revised Sheet 14d
 Section 2, 3rd Revised Sheet 14e, Canceling Section 2, 2nd Revised Sheet 14e
 Section 3, 10th Revised Sheet 1, Canceling Section 3, 9th Revised Sheet 1
 Section 3, 5th Revised Sheet 1a, Canceling Section 3, 4th Revised Sheet 1a
 Section 3, 14th Revised Sheet 2, Canceling Section 3, 13th Revised Sheet 2
 Section 3, 7th Revised Sheet 2a, Canceling Section 3, 6th Revised Sheet 2a
 Section 3, 9th Revised Sheet 3, Canceling Section 3, 8th Revised Sheet 3
 Section 3, Original Sheet 3a
 Section 3, 9th Revised Sheet 4, Canceling Section 3, 8th Revised Sheet 4
 Section 3, 1st Revised Sheet 5, Canceling Section 3, Original Sheet 5
 Section 4, 6th Revised Sheet 3, Canceling Section 4, 5th Revised Sheet 3
 Section 4, 9th Revised Sheet 4, Canceling Section 4, 8th Revised Sheet 4
 Section 4, 4th Revised Sheet 4a, Canceling Section 4, 3rd Revised Sheet 4a
 Section 4, 3rd Revised Sheet 4b, Canceling Section 4, 2nd Revised Sheet 4b
 Section 4, 3rd Revised Sheet 4c, Canceling Section 4, 2nd Revised Sheet 4c
 Section 4, 2nd Revised Sheet 15, Canceling Section 4, 1st Revised Sheet 15
 Section 4, 3rd Revised Sheet 16, Canceling Section 4, 2nd Revised Sheet 16
 Section 4, 3rd Revised Sheet 17, Canceling Section 4, 2nd Revised Sheet 17

2. That the electric service tariff sheets suspended in ordered paragraph 1, above, File No. 200100518, are hereby suspended an additional six months beyond April 2, 2001, to October 2, 2001, unless otherwise ordered by the Commission.

3. That any proper person or entity desiring to intervene in this matter shall file an application no later than December 6, 2000, with:

Dale Hardy Roberts, Secretary
 Missouri Public Service Commission
 Post Office Box 360
 Jefferson City, Missouri 65102

and send copies to:

Legal Department
 Empire District Electric Company
 Post Office Box 127
 Joplin, Missouri 64802

and:

Office of the Public Counsel
Post Office Box 7800
Jefferson City, Missouri 65102

4. That Empire District Electric Company shall file, on or before November 30, 2000, a pleading stating its recommendation concerning the proper test year for use in this case.

5. That Empire District Electric Company shall file any request for a true-up audit and hearing in a separate pleading concurrent with its test year recommendation.

6. That Commission Staff, the Office of the Public Counsel and persons or entities requesting intervention shall file, on or before December 15, 2000, a pleading either indicating concurrence in Company's recommended test year or recommending alternatives to Company's recommended test year.

7. That Commission Staff, the Office of the Public Counsel and intervenors shall file, on or before December 15, 2000, a pleading stating their recommendation concerning a true-up.

8. That an early prehearing conference is hereby scheduled for this case on December 21, 2000, at 10:00 a.m. The early prehearing conference shall be held in Room 305 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans With Disabilities Act. If any person needs additional accommodations to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or 1-800-829-7541 (TDD) prior to the hearing.

9. That the parties shall file a proposed procedural schedule as described in this order on or before December 28, 2000. The Commission Staff shall have primary responsibility for preparing and filing the proposed procedural schedule.

10. That the Commission shall conduct local public hearings on the proposed rate increase and shall set the times, dates and locations of these local public hearings in a subsequent order. The parties and intervenors, if any, may file recommendations as to the dates and locations for local public hearings in this case on or before December 28, 2000.

11. That an evidentiary hearing is hereby scheduled for this case beginning May 29, 2001, and continuing through June 8, 2001, if needed. The hearing shall commence at 8:30 a.m. on May 29, 2001. The evidentiary hearing shall be held in Room 310 of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. The Governor Office Building meets accessibility standards required by the Americans With Disabilities Act. If any person needs additional accommodations to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or 1-800-829-7541 (TDD) prior to the hearing.

12. That the week of June 18, 2001, is reserved for a true-up hearing in this case, in the event that such a hearing is requested and the Commission grants the request.

13. That Empire District Electric Company shall notify each affected customer of the hearings scheduled in this case, either by a notice on or accompanying a bill or by a separate notice, at least ten days, but not more than 45 days, prior to the first day of the hearings, unless otherwise ordered by the Commission. The notice shall be in the following form:

NOTICE

Empire District Electric Company has filed revised electric service tariff sheets with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross revenues by approximately 19.3 percent. For the average residential customer, the proposed increase would be approximately \$_____ each month.

An evidentiary hearing has been set before the PSC at 8:30 a.m., May 29, 2001, in the PSC's hearing room on the third floor of the Governor Office Building, 200 Madison Street, Jefferson City, Missouri. If you wish to comment or secure information, you may contact the Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, telephone (573) 751-4857.

If any person has special needs as addressed by the Americans With Disabilities Act, please contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541.

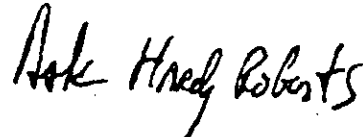
14. That the Records Department of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county in the Company's Missouri service area.

15. That the Commission's Public Information Office shall send notice of this order to the publisher of each newspaper located in the counties in which the Company provides service, as listed in the newspaper directory of the current *Official Manual of the State of Missouri*, to the members of the General Assembly representing the residents of the Company's Missouri service area, and to the other media serving the residents of the Company's Missouri service area.

16. That prefiled testimony and other pleadings or papers shall only be filed under seal pursuant to a protective order approved by the Commission.

17. That this order shall become effective on November 26, 2000.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, somewhat stylized script.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Drainer, Murray, Schemenauer, and
Simmons, CC., concur.
Lumpe, Ch., absent.

Thompson, Deputy Chief Regulatory Law Judge

ALJ/Sec'y: Thompson / Pope
 11-13 ER-2001-299
 Date Circulated CASE NO.
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 Lumpe, Chair 5-0-0-0 long public
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 Drainer, Vice Chair
CR
 Murray, Commissioner an we get to define
RS local public hearings
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 Simmons, Commissioner
 11-16
 Agenda Date
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 AA
 Action taken:
 Must Vote Not Later Than

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 16th day of Nov. 2000.



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