

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

In the matter of The Empire District Electric)
Company of Joplin, Missouri for authority to)
file tariffs increasing rates for water service)
provided to customers in the Missouri)
service area of the Company.)

Case No. WR-2006-0215

**NOTICE OF AGREEMENT REGARDING DISPOSITION
OF SMALL COMPANY RATE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through Counsel, and for its Notice of Agreement Regarding Disposition of Small Company Rate Increase Request states the following to the Missouri Public Service Commission ("Commission").

1. On November 21, 2005 (unless noted otherwise, all dates herein refer to the year 2005), The Empire District Electric Company ("Company") submitted to the Commission revised tariff sheets to implement increases in its water service rates and charges, and other tariff changes, and the instant case was established.

2. As is noted in the Company's tariff filing transmittal letter, the changes contained in the subject revised tariff sheets are based upon a Company/Staff Agreement Regarding Disposition of Small Water Company Rate Increase Request ("Disposition Agreement") entered into by the Company and the Staff. As is also noted in the Company's tariff filing transmittal letter, the Disposition Agreement pertains to the small company rate increase request that the Company submitted to the Commission on June 24 (Work I.D. No. QW-2005-0012).

3. Included in the document that is attached hereto and identified as Appendix A are copies of the Disposition Agreement, and related attachments, which are referenced in the Company's tariff filing transmittal letter.

4. Consistent with established internal procedures regarding small company rate increase requests, the Staff intends to file its recommendation in this case by the end of business on December 29.

WHEREFORE, the Staff respectfully submits the attached information for the Commission's information and consideration in this case.

Respectfully Submitted,

DANA K. JOYCE
General Counsel

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel and/or parties of record this 30th day of November 2005.

/s/ Keith R. Krueger

APPENDIX A

DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2006-0215

Note: To browse through this document by item, click on the "Bookmark" tab at the top of the menu bar to the left of the screen and then click on the item that you want to see.

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Company/Staff Disposition Agreement

**COMPANY/STAFF AGREEMENT REGARDING DISPOSITION
OF SMALL WATER COMPANY RATE INCREASE REQUEST**

THE EMPIRE DISTRICT ELECTRIC COMPANY

MO PSC WORK I.D. No. QW-2005-0012

BACKGROUND

The Empire District Electric Company ("Company") initiated the small company rate increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") tracking file by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.635, Water Utility Small Company Rate Increase Procedure ("Small Company Rate Increase Procedure"). In its request letter, which was received at the Commission's offices on June 24, 2005, the Company set forth its request for an increase of \$522,835 in its total annual water service operating revenues. In its letter, the Company also recognized that its general tariff provisions would be reviewed during the Commission Staff's review of the rate increase request, and could thus be the subject of Staff recommendations at the conclusion of the rate increase process. The Company provides service to approximately 4,586 customers, the vast majority of which are residential customers.

Upon receipt of the Company's request letter, personnel in the Commission's Data Center entered the letter into the Commission's electronic filing and information system and Work I.D. No. QW-2005-0012 was assigned to the Request. The Request was then routed to the Commission's Water & Sewer Department for processing under the Small Company Rate Increase Procedure.

Pursuant to the provisions of the Small Company Rate Increase Procedure and related internal operating procedures, the Staff of the Commission ("Staff") initiated an audit of the Company's books and records, a review of certain of the Company's general business practices, an

inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities will be collectively referred to as the Staff's "investigation" of the Company's Request.)

Upon completion of its investigation of the Company's Request, the Staff provided the Company and the Office of the Public Counsel ("OPC") various information regarding the results of the investigation, as well as its initial recommendations for resolution of the Company's Request.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations held subsequent to the Company's and the OPC's receipt of the above-referenced information regarding the Staff's investigation of the Company's Request, the Staff and the Company hereby state the following agreements.

- (1) That for the purpose of implementing the agreements set out herein, the Company will file tariff revisions with the Commission containing the rates and language set out in the example tariff sheets attached hereto as Attachment A.
- (2) That the ratemaking income statement attached hereto as Attachment B accurately reflects the Company's annualized revenues generated by its current customer rates, the Company's total annualized cost of providing service and the agreed-upon annualized operating revenue increase of \$469,138, which is required to recover the Company's cost of service.
- (3) That the rates set out in the attached example tariff sheets, the development of which is shown on the rate design worksheet attached hereto as Attachment C, are designed to generate revenues sufficient to recover the Company's total annualized cost of service, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.
- (4) That the rates included in the attached example tariff sheets are just and reasonable.
- (5) That the schedule of depreciation rates attached hereto as Attachment D hereto should be the prescribed schedule of water plant depreciation rates for the Company, as these were the depreciation rates used by the Staff in its revenue requirement analysis.

(6) That the Company will continue its existing ten year replacement program for existing meters.

(7) That the above agreements satisfactorily resolve all issues identified by the Staff and the Company regarding the Company's Request, except as otherwise specifically stated.

ADDITIONAL MATTERS

This Disposition Agreement is only between the Staff and the Company, in which case the Small Company Rate Increase Procedure requires that the Company send a notice to its customers regarding the rates and charges that would result from implementation of the provisions of this Disposition Agreement. In compliance with the Small Company Rate Increase Procedure, that notice will provide the Company's customers an opportunity to send comments to the OPC and the Staff within twenty (20) days after the date of the notice. In addition to that customer notice, the Company acknowledges that the OPC also has the right to request that the Commission hold a local public hearing regarding the Company's Request and the provisions of this Disposition Agreement.

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Disposition Agreement reflect compromises between the Staff and the Company, and neither party has agreed to any particular ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

The Company acknowledges that the Staff will be making an additional filing with the Commission regarding this matter, with that filing including the following: (a) the Staff's recommendation for approval of the subject tariff revisions, and any related recommendations; (b) background information regarding the Company's Request and the Staff's investigation thereof; (c) the Staff's audit workpapers; (d) a general overview of the Company, including an overview of

the Company's customer service procedures and practices; (e) information regarding the status of the Company's payment of its Commission assessments; (f) the status of the Company's submission of its Commission annual reports; (g) the status of the Company's submission of its Commission annual statement of operating revenues; (h) any other pending cases that the Company may have before the Commission; (i) any recent Notices of Violations issued to the Company by the Missouri Department of Natural Resources; and (j) the status of the Company's corporate standing with the Missouri Secretary of State. Additionally, the Company agrees that the Staff shall have the right to provide whatever oral explanation the Commission may request regarding the rate case that will be created when the Company files the tariff revisions called for in this agreement, at any agenda meeting at which that case is noticed to be considered by the Commission. To the extent reasonably practicable, the Staff will provide the Company with advance notice of any such agenda meeting so that it may have the opportunity to also be represented at the meeting.

EFFECTIVE DATE AND SIGNATURES

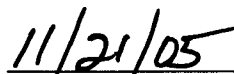
This Disposition Agreement shall be considered effective as of the date that the Company files the tariff revisions required herein with the Commission.

Agreement Signed and Dated:

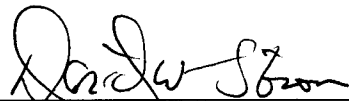


Dale W. Johansen

Manager – Water & Sewer Department
Missouri Public Service Commission Staff

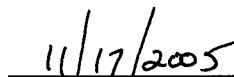


Date



David W. Gibson

Vice President-Regulatory & General Services
The Empire District Electric Company-Water



Date

List of Attachments

- Attachment A – Example Tariff Sheets
- Attachment B – Ratemaking Income Statement
- Attachment C – Rate Design Worksheet
- Attachment D – Schedule of Depreciation Rates

Agreement Attachment A

Example Tariff Sheets

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C. Mo. No. 4

THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 1 7th Revised Sheet No. 1
Canceling P.S.C. Mo. No. 4For AURORA, MARIONVILLE, VERONA
No supplement to this tariff will be issued except
For the purpose of canceling this tariff.Sec. 1 6th Revised Sheet No. 1
Which was issued 11-07-02WATER SERVICE
SCHEDULE WA

AVAILABILITY:

This schedule is available for water service on an annual basis to any customer located along the water lines of the Company.

MONTHLY RATE:

Customer Charge:

Meter 5/8" or less +	\$ 10.22
Meter 1" +	22.39
Meter 2" +	67.01
Meter 4" +	204.88
Meter 6" +	407.63

Consumption Charge:

First 100,000 gallons, per thousand gallons +	\$ 3.40
Over 100,000 gallons, per thousand gallons +	1.20

TANK WATER:

Per 1,000 gallons or less +	\$ 14.51
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PRIVATE FIRE PROTECTION SERVICE CHARGE:

If the Company for the service of the Customer's private fire protection system is required to install special or additional facilities not normally provided by the Company for the Customer's regular water service, the Customer will pay a monthly charge of 1 1/2% of such excess investment by the Company.

PUBLIC FIRE HYDRANT SERVICE CHARGE:

A monthly charge for fire hydrant service to each community served shall be determined annually in accordance with the formula below and shall be added to each regular water service bill rendered to customers served on this schedule who reside within the community.

$$\text{Monthly Charge} = \frac{N \times R}{A \times 12}$$

Where: N = Number of Public Fire Hydrants in service within the community at the Date of Determination
R = Annual Rental Charge of \$159.83 per fire hydrant
A = Number of Customers within the community receiving service under Schedule WA at the Date of Determination.

The monthly fire hydrant service charge will be adjusted annually on March 1, based on December 31 data of the previous year or, at its option, the Company may adjust the monthly service charge at any time to reflect changes in the number of customers or fire hydrants in the community where the variance in the Monthly Charge of \$0.01 or more results from a new computation.

PAYMENT:

Bills for customers will be due on or before twenty-one (21) days after the date thereof.

GROSS RECEIPTS, OCCUPATION OR FRANCHISE TAXES, OR PRIMACY FEES:

There shall be added to the Customer's bill, as a separate item, an amount equal to the proportionate part of any license, occupation, franchise, or other similar fee or tax now or hereafter imposed upon the Company by any municipality or any other governmental authority, whether imposed by ordinance, franchise or otherwise, in which the fee or tax is based upon a percentage of gross receipts, net receipts or revenues from the sale of water service rendered by the Company to the Customer. Bills will be increased the proportionate amount only in service areas where such tax is applicable. There shall be added to the Customer's bill, as a separate item, the appropriate amount

THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 2 1st Revised Sheet No. 4
 Canceling P.S.C. Mo. No. 4

For AURORA, MARIONVILLE, VERONA

No supplement to this tariff will be issued except
 for the purpose of canceling this tariff.

Sec. 2 Original Sheet No. 4
 Which was issued 07-11-78

RULES AND REGULATIONS

CHAPTER II

GENERAL CONDITIONS

A. Application for Service

1. Service Application:

Applications for service shall be made upon the Company's standard application forms, signed by the applicant.

2. Application in Name of Customer:

Each service application must be made in the true name of the customer.

3. Separate Service Application for Each Location and Each Class of Service:

A separate service application must be made for each location and each class of service.

4. How Application for Service Should be Made:

a. Residential or Small Commercial - Service Established to Premises:

Where service is already established at the desired location, customer shall make application for service to the nearest Company office or collection agency within five (5) days after date of initial use of service. If a Residential or Small Commercial Customer merely transfers from one location to another location, where service has not been disconnected, the customer shall notify the Company of date and final meter reading at location being vacated, and date of initial meter reading at location being occupied, and request service contract, customer deposit and unpaid charges to be transferred from old to new address. In the event service to the new location has been disconnected, customer must make proper application and establish proper credit in order that service may be established.

b. Residential or Small Commercial - New Location, or Large Commercial or Industrial:

Any applicant in either of these classifications desiring to receive service from the Company, should notify the nearest Company office. A representative of the Company will then consult with the customer as to available service, location of customer's point of delivery, Company facilities necessary for the class of service desired, etc. Company representatives are competent to render valuable advice and assistance to assist Residential, Commercial or Industrial customers in obtaining the proper service, and to avoid unnecessary delay or expense to the customer due to improper selection of equipment or of installation. The Company desires especially to advise and assist the applicant or customer with respect to location of meter or point of delivery.

c. For service at a new location, applicant shall pay, in advance, a service connection charge as follows: *

3/4" or less Single Meter Service Connection	\$580
3/4" Dual Meter Service Connection (with 1" service line)	\$650

If one side of a dual connection is used, customer shall pay only one-half of the \$650 charge, or \$325. For a service larger than 3/4" the service connection shall be equal to the cost of installing a meter and service connection (time and material).

If service is requested at a point not already served by a main of adequate capacity, the Company shall extend its mains as provided in Chapter III b.

B. Service Contract

1. Service Contract:

A service application, when accepted by the Company, becomes a service contract between the customer and the Company, whereby the customer will pay the Company for any service taken by the customer thereunder. The Company will not maintain service to the customer without a service contract. The customer may not assign any rights thereunder without written consent of the Company. These Rules and Regulations are, by reference, made a part of such service contract.

DATE OF ISSUE November 21, 2005
 Month Day Year

DATE EFFECTIVE January 5, 2006
 Month Day Year

ISSUED BY D. W. Gibson, Vice President, Joplin, MO

THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 2 1st Revised Sheet No. 5
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Which was issued 07-11-78

<p align="center">RULES AND REGULATIONS</p>

2. Period of Contract:

Unless otherwise specified, all service contracts shall be made effective for a period of one (1) year. When justified by exceptional service requirements, the Company may require a longer contract period commensurate with the customer's service requirements and the necessary Company facilities.

3. Contract Self-Contained:

No promises, representations or agreements of anyone shall be binding upon the Company unless the same shall be incorporated in the service contract.

C. Service Policy

1. Supplying Water Service:

All water service shall be supplied exclusively by the Company while the contract and agreement remain in force.

2. One Service to a Building:

Except for certain special conditions, there shall be only one point of delivery to a building, for each class of service furnished. Where more than one customer occupies the same building, more than one point of delivery may be installed, provided all such points are connected to and supplied from the one set of Company's main lines.

3. One Meter for Each Class of Service, to Each Customer, at Each Location:

Only one meter shall be installed for each class of service to each customer at each location, and each meter shall be billed separately under the appropriate rate schedule of the Company. However, in cases where exceptional service conditions require more than one such meter, the Company shall have the right to install more than one such meter under one application for service.

4. Service Policy

For the convenience of the customer, service to the premises will not be discontinued (except when the Company considers necessary) upon termination of usage and vacation of premises by the customer. Service will be maintained for the convenience of the next succeeding occupant. There will be posted in the vacated premises a card form whereby the incoming occupant may promptly copy the initial meter reading, to be forwarded to the Company office address shown on the card. However, in order to continue to receive service, the customer must, without delay, make proper application for service.

5. Continuity of Service:

The Company will exercise reasonable diligence and care in providing regular and uninterrupted supply of service to customer. Whenever the Company finds it necessary, in order to repair or improve its system facilities, the Company shall have the right temporarily to suspend service to customer. It is understood and agreed that hazards to continuity of service are recognized by the customer before utilizing service. The Company will not be liable for any interruption, fluctuation, shortage or insufficiency of supply of service, or for any loss or damage occasioned thereby, if same is caused by strike, riot, civil commotion, hostile attack, storm, fire, accident, breakdown, unexpected or prolonged increase in usage of water, act of God, legal process, governmental interference, or any cause beyond its control. The Company shall issue instructions to its employees to the extent practical covering procedures to be followed in the event of an emergency in order to prevent or mitigate the interruption, fluctuation, shortage or insufficiency of supply of service as much as reasonably possible. If, because of such emergency, it appears reasonably necessary to do so, the Company may interrupt, curtail or suspend water service to all or some of its customers and the selection by the Company of the customers to whom service is interrupted, curtailed or suspended shall not result in liability of the Company to any such customer if such action is taken by the Company in a good faith effort to prevent the impairment of service or reduce the number of persons affected thereby.

DATE OF ISSUE November 21, 2005
Month Day Year

DATE EFFECTIVE January 5, 2006
Month Day Year

ISSUED BY D. W. Gibson, Vice President, Joplin, MO

RULES AND
REGULATIONS

- b. Interest at a rate which is equal to one percent (1%) above the prime lending rate as published in the Wall Street Journal will be payable on all deposits. This rate shall be adjusted annually on January 1 using the prime lending rates, as published in the Wall Street Journal on the last business day of December of each year, plus one percent (1%). Interest will be either credited to the service account of the customer on an annual basis or paid upon the return of the deposit. Interest shall not accrue on any cash deposit after the date the Company has made a reasonable effort to return such deposit to the customer. The Company will keep in its records evidence of its efforts to return such deposit. This rule shall not preclude the Company from crediting interest upon each service account during one complete billing cycle annually.
- c. Upon termination of service, the deposit, with accrued interest, will be credited to the final bill and the balance, if any, will be returned promptly to the customer.
- d. The credit of a customer shall be established and the deposit and accrued interest shall be refunded promptly by the Company upon satisfactory payment by the customer of all proper charges for utility service for a period not to exceed twelve successive months. For purposes of this rule, payment is satisfactory if made prior to the date upon which the bill becomes delinquent. The Company may withhold refund of the deposit funds pending the resolution of a matter in dispute involving discontinuance for nonpayment or unauthorized interference by the customer.
- e. Company will maintain a record of all deposits, received from customers, showing the name of each customer, the location of the premises occupied by the customer at the time the deposit was required and each successive location while the deposit is retained, the date and amount of deposit, and the date and amount of interest paid.
- f. Each customer posting a security deposit shall receive in writing at the time of tender of deposit or with the first bill, a receipt as evidence thereof, unless the Company shows the existence or nonexistence of a deposit on the customer's bill, in which event the receipt shall not be required unless requested by the customer. The receipt shall contain the following minimum information:
- (1) Name of customer.
 - (2) Date of payment.
 - (3) Amount of payment.
- +
- g. Company will provide means whereby a person entitled to a return of a deposit is not deprived of the deposit refund even though he may be unable to produce the original receipt for the deposit, provided he can produce adequate identification to insure that he is the customer entitled to refund of the deposit.

THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 2 1st Revised Sheet No. 20
Canceling P.S.C. Mo. No. 4For AURORA, MARIONVILLE, VERONANo supplement to this tariff will be issued except
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Which was issued 09-15-93

<p align="center">RULES AND REGULATIONS</p>

- 1.3 Discontinue service: In the case of water service, the removal of the water meter(s) and installation of PVC threaded plugs in the meter set inlet and outlet, thus isolating the service line from the main and avoiding system degradation.
- 1.4 Delinquent: In the case of the Sewer Provider's sewer customers, a bill becomes delinquent 21 days after it has been mailed to the customer's premises if it is unpaid at that time. *
- 1.5 Multi-unit building: Either a multi-family dwelling such as an apartment building or condominium, an office building where there are multiple independently-operated offices, or shopping centers which may contain multiple retail entities.

2. APPLICABILITY

- 2.1 This agreement governs the relationship between Sewer Provider and Water Company when and if the Sewer Provider requests Water Company to discontinue water service to a customer premises served by the Water Company because of nonpayment of a delinquent sewer bill owed to the Sewer Provider for the premises. It covers the situation where payment of the bill for sewer service is delinquent, as defined herein, but payment for water service is either not delinquent at the time of the request by the Sewer Provider or service to the premises, for some other reason, is not scheduled for discontinuance by Water Company. This agreement does not apply where Water Company does not provide water service to the premises receiving sewer service, except as provided herein.

3. DISCONTINUANCE PROCEDURE

- 3.1 Commencement By Sewer Provider. Sewer Provider may commence the discontinuance procedure under this agreement by providing written notice to Water Company containing the following information:
- a. The full name of the Sewer Provider's sewer customer that has a delinquent bill.
 - b. The full address of the premises where the sewer service is being provided.
 - c.+ The amount of the sewer bill which is overdue.
 - d.+ A copy of the notice sent to the sewer customer.
 - e.+ The date at which the Sewer Provider requests that water service be discontinued to the customer's premises.
 - f.+ A statement, signed by a responsible authority of the Sewer Provider which states that:
 - 1. the sewer customer has been afforded thirty (30) days written notice of the possibility of termination of water service for non-payment of the sewer charges;
 - 2. the sewer customer has been afforded the right to be heard by the Sewer Provider regarding the correctness and validity of the bill for sewer services under whatever procedures the Sewer Provider has for such;
 - 3. there are no stay orders or other requirements of law or ordinance which would be violated by Water Company's compliance with the request of the Sewer Provider under this agreement; and
 - 4. that the Sewer Provider has complied with all of its own ordinances and procedures regarding the issuance and collection of the delinquent sewer bill.
 - g.+ Whether a deposit will be required for continued provision of sewer service, and if so, the amount of such deposit.
- 3.2 Obligation of Water Company on Receipt of Request. Upon Water Company's receipt of all of the materials specified in section 3.1, Water Company shall, by no later than the end of the first working day thereafter, determine whether Water Company provides water service to the premises identified as being subject to discontinuance.

Sec. 2 1st Revised Sheet No. 22
 Canceling P.S.C. Mo. No. 4

For AURORA, MARIONVILLE, VERONA

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Sec. 2 Original Sheet No. 22
 Which was issued 09-15-93

RULES AND
REGULATIONS

1. Not more than fifteen (15) but at least five (5) days prior to discontinuance of water service, notices of Water Company's intent to discontinue shall be conspicuously posted in public areas of the building; provided, however, that these notices shall not be required if the Water Company is not aware that the structure is a single metered multi-unit building. The notices shall include the date on or after which discontinuance may occur and shall state that water service is proposed to be discontinued for non-payment of a bill for sewer service. The notice shall state the name and address of the sewer customer that is delinquent and the name and telephone number of a person with the Sewer Provider who can discuss the situation.
- 3.4 Discontinuance Procedure.
 - a. If all the pertinent conditions above have been satisfied, at least twenty-four (24) hours preceding discontinuance, Sewer Provider shall make reasonable efforts to contact the customer to advise of the pending action and what steps must be taken to avoid discontinuance. +
 - b. Immediately preceding the discontinuance of service, the employee of Water Company designated to perform the function and an employee of the Sewer Provider shall make a reasonable effort to contact the customer or a responsible person on the premises and identify themselves and announce the purpose of their presence. After service is discontinued, the Water Company employee shall leave a notice upon the premises in a manner conspicuous to the customer that service has been discontinued and the address and telephone number of the Water Company where the customer may arrange to have service restored.
- 3.5 Bankruptcy or Court Order. If either party to this agreement receives notice that the customer at the premises scheduled for discontinuance of water service has invoked the protection of the federal bankruptcy laws, such party shall immediately notify the other party by telephone and follow-up such telephone notification with written notification. Water Company is entitled to cease its discontinuance efforts under this agreement if it has notice that the customer has filed for bankruptcy and therefore the stay provisions of the bankruptcy laws would be violated if Water Company continued with collection efforts on behalf of the Sewer Provider. Water Company shall also be entitled to cease the discontinuance procedure in compliance with an order of the Commission or a court of competent jurisdiction to cease discontinuance efforts. Water Company shall be under no obligation to the Sewer Provider to resume discontinuance efforts until the stay or other orders blocking discontinuance have been lifted.
- 3.6 Where Water Bill Subsequently Becomes Delinquent.
 - a. In situations where the Sewer Provider's request for discontinuance arrives at Water Company and the water bill at the premises is not delinquent, but subsequently becomes delinquent, Water Company shall ensure that its discontinuance procedures required by its tariff approved by the Commission are followed in conjunction with the procedures under this agreement. Water Company may delay discontinuance of the water service for non-payment of a delinquent water bill to coincide with the scheduled discontinuance of water service for non-payment of the delinquent sewer bill. In no event, however, shall discontinuance take place less than thirty (30) days after notice by first class mail is sent by the Sewer Provider pursuant to section 3.1.G. hereof. +
 - b. In such situations, Water Company shall not be entitled to bill the Sewer Provider for Water Company's lost revenue after the date of discontinuance, as otherwise provided in section 5.2.

4. RESTORATION PROCEDURE

- 4.1 Upon the customer's request, the Water Company shall restore water service promptly when the cause for the discontinuance has been eliminated and the customer has paid the cost of discontinuance and restoration of service by the Water Company, and any costs or charges for re-establishment of sewer service established by the Sewer Provider. Restoration of service shall be made not later than the next working day following the request and may be made after normal working hours at an additional charge if the customer requests and at the option of the Company. *

THE EMPIRE DISTRICT ELECTRIC COMPANY

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<p align="center">RULES AND REGULATIONS</p>

- 4.2 Service may also be restored to the premises without consideration of the delinquent sewer charges if Water Company receives a bona fide application for service from a new customer who meets all of the Water Company's requirements for initiation of service to a premises.

5. RELATIONSHIP BETWEEN CITY AND WATER COMPANY

- 5.1 The Sewer Provider and the Water Company shall establish a mutually agreeable procedure and schedule for the processing of requests for discontinuance by the Sewer Provider, so as not to unduly interfere with or restrict the normal operations of the Water Company of providing service to its customers. Water Company reserves the right to reschedule procedures under this agreement if they conflict with or prevent the Water Company from providing safe and adequate service to its customers.
- 5.2 Since Water Company will forego revenue it would otherwise receive from water customers by complying with the terms of this agreement, and incur costs for notices and discontinuance it would not otherwise incur, Sewer Provider shall pay Water Company according to the following schedule. Water Company shall issue a bill to Sewer Provider for each month in which the events occur and Sewer Provider shall pay the amount billed within thirty (30) days of the date of the bill.
- a. Schedule of Fees:

For each request for discontinuance received	\$ 8.00
Customer charge for trip to premise *	\$ 15.00
when not disconnected (due to payment at site)	
Additional fee for multi-unit building	\$ 10.00
During normal working hours of Water Company:	
For each discontinuance completed	\$ 24.00
For each restoration after discontinuance	\$ 24.00
After normal working hours of Water Company:	
For each restoration after discontinuance	\$ 58.00

b. Lost Revenues:

For each discontinuance completed, Water Company shall estimate its lost revenue for the month or partial month based upon its standard estimation procedure, giving due consideration to past usage from similar time periods and any known changes in condition of the premises. The amount of the lost revenue shall be separately itemized for each premises on each monthly bill so long as the discontinuance exists.

- 5.3 Indemnification. Since Water Company may be subject to damage claims from the Sewer Provider's sewer customers for Water Company's actions or inactions pursuant to this agreement, the Sewer Provider shall indemnify and save Water Company harmless from any and all claims, expenses and costs based upon or arising out of Water Company's actions or inactions related to this Agreement, including negligent acts or omissions by the Water Company or its employees related to the disconnection or reconnection procedures. The phrase "claims, expenses and costs" shall be construed broadly and shall include, by way of example, costs of defense, damages, penalties, remediation costs, investigation costs, attorneys fees, costs of settlement, and miscellaneous expenses. The Sewer Provider shall maintain adequate insurance coverage to fund this indemnification requirement.
- 5.4 Disputes. If a dispute arises between the Sewer Provider and Water Company regarding any of the provisions or operation of this agreement, the parties shall attempt promptly and in good faith to resolve such dispute through negotiations between representatives who have authority to settle the controversy. Either party may give notice to the other of the existence of a dispute. Within twenty (20) days of the delivery of such notice, the parties shall meet at a mutually acceptable time and place, and thereafter as often as they deem necessary, to exchange information and attempt to resolve the dispute, until the parties conclude that the dispute cannot be resolved by negotiation.

THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 2 1st Revised Sheet No. 24
Canceling P.S.C. Mo. No. 4For AURORA, MARIONVILLE, VERONANo supplement to this tariff will be issued except
for the purpose of canceling this tariff.Sec. 2 Original Sheet No. 24
Which was issued 09-15-93

<p align="center">RULES AND REGULATIONS</p>

5.5 Negotiations. Negotiations extending for a period of sixty (60) days after the first such meeting shall be deemed to be at an impasse, unless otherwise agreed by the parties. If negotiations are deemed to be at an impasse, the parties agree to submit the matter to the Commission for arbitration pursuant to 386.230 RSMo. Nothing in this section shall prevent either party from terminating this agreement as otherwise provided in this agreement.

5.6 Termination. This agreement may be terminated by either of the parties hereto upon the delivery of thirty (30) days written notice to the other at the other's principal place of business. Termination shall not relieve any party of any amounts which accrued or became due prior to termination, or relieve the Sewer Provider of the obligation to indemnify the Water Company under section 5.3 for any event which occurred prior to termination.

6. MISCELLANEOUS PROVISIONS

6.1 This agreement shall not be construed to in any way limit the rights of the Sewer Provider to collect delinquent sewer bills in any other lawful fashion including, but not limited to, suits at law for damages, suits in equity relating to the sewer service, or physical disconnection of sewer service.

6.2 Water Company shall not be required to post notices or proceed with discontinuance under this agreement in situations where the safety of its employees is a consideration.

6.3 This agreement constitutes the entire agreement between the Water Company and the Sewer Provider with respect to the subject matter hereof and supersedes any other agreements, undertakings, understandings and discussions. This agreement may be amended or modified only by written instrument executed by both the Sewer Provider and the Water Company, except that the amounts for charges specified in this agreement shall be changed automatically if the Commission allows changes in said amounts in the tariff.

6.4 This agreement shall be construed and interpreted in accordance with the laws of Missouri.

Sewer Provider of THE EMPIRE DISTRICT ELECTRIC COMPANYBy: _____
Authorized Signature

By: _____

Under authority granted by
Ordinance No. _

Attest:

Attest:

Secretary_____
Secretary**C. Exclusivity of Procedure**

1. In situations covered by the terms of the agreement between Company and a Sewer Provider or sewer district, the agreement shall govern over the terms of Company's other rules and regulations.

Agreement Attachment B

Ratemaking Income Statement

THE EMPIRE DISTRICT ELECTRIC COMPANY-WATER

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	1,305,184
2	Other Operating Revenues *	\$	74,384
3	Total Operating Revenues	\$	1,379,568
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Operation Supervision & Engineering	\$ 77,622
2 Maintenance Supervision & Engineering	\$ 28,606
3 Purchased Power for Pumping	\$ 93,869
4 Transmission & Distribution Lines	\$ 77,030
5 Maintenance of Reservoirs & Standpipes	\$ 45,132
6 Maintenance of Transmission & Dist. Mains	\$ 243,381
7 Maintenance of Services	\$ 100,198
8 Supervision-Operation	\$ 5,223
9 Meter Reading Expenses	\$ 7,958
10 Customer Records & Collection Exp.	\$ 42,976
11 Uncollectible Accounts	\$ 5,942
12 Administration & General - Salaries	\$ 12,130
13 Injuries & Damages	\$ 4,045
14 Bookkeeping	\$ -
15 Employee Pensions & Benefits	\$ 116,649
16 Regulatory Commission Expense	\$ 7,814
17 Miscellaneous Expense-Rent	\$ 20
18 Sub-Total Operating Expenses	\$ 868,595
19 Property Taxes	\$ 83,856
20 MO Franchise Taxes	\$ -
21 Employer FICA Taxes	\$ -
22 Federal Unemployment Taxes	\$ -
23 State Unemployment Taxes	\$ -
24 State & Federal Income Taxes	\$ 171,108
25 Sub-Total Taxes	\$ 254,964
26 Depreciation Expense	\$ 258,844
27 Amortization of Utility Plant (computer system)	\$ -
28 Sub-Total Depreciation/Amortization	\$ 258,844
29 Return on Rate Base	\$ 466,303
30 Total Cost of Service	\$ 1,848,706
31 Overall Revenue Increase Needed	\$ 469,138

Agreement Attachment C

Rate Design Worksheet

THE EMPIRE DISTRICT ELECTRIC COMPANY-WATER

Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 1,305,184
Agreed-Upon Overall Revenue Increase	\$ 469,138
Percentage Increase Needed	35.944%

Metered Customer Rates						
Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 7.52	\$ 10.22	\$ 2.500	\$ 3.40	\$ 0.880	\$ 1.196
1"	\$ 16.47	\$ 22.39	\$ 2.500	\$ 3.40	\$ 0.880	\$ 1.196
2"	\$ 49.29	\$ 67.01	\$ 2.500	\$ 3.40	\$ 0.880	\$ 1.196
4"	\$ 150.71	\$ 204.88	\$ 2.500	\$ 3.40	\$ 0.880	\$ 1.196
6"	\$ 299.85	\$ 407.63	\$ 2.500	\$ 3.40	\$ 0.880	\$ 1.196
Bulk/Tank	\$ -	\$ -	\$ 10.670	\$ 14.51	\$ -	\$ -

Agreement Attachment D

Schedule of Depreciation Rates

THE EMPIRE DISTRICT ELECTRIC CO. WATER COMPANY
DEPRECIATION RATES
(WATER)
QW-2005-0012

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements	2.5%	40	
314	Wells & Springs	2.0%	50	
325	Electric Pumping Equipment	10.0%	10	
332	Water Treatment Equipment	2.9%	35	
342	Distribution Reservoirs & Standpipes	2.5%	40	
343	Transmission & Distribution Mains	2.0%	50	
345	Services	2.5%	40	
346	Meters	10.0%	10	
348	Hydrants	2.0%	50	
391	Office Furniture & Equipment	5.0%	20	
391.1	Office Computer Equipment	20.0%	5	
393	Stores Equipment	4.0%	25	
394	Tools, Shop, Garage Equipment	5.0%	20	
395	Laboratory Equipment	5.0%	20	
397	Communication Equipment	6.7%	15	