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July 9, 2002

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Re: Case No. ER-2002-424

Dear Mr. Roberts:

Enclosed for filing on behalf of The Empire District Electric Company, please find an original and eight (8) copies of a Supplement to Motion for Amended Order Scheduling Local Public Hearing or Alternatively Application for Rehearing.

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.

James C. Swearengen

JCS/lar Enclosure

cc: John Coffman

Denny Frey Stuart Conrad

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 electric service)	Case No. ER-2002-424
provided to customers in the Missouri service)	
area of the Company.)	

SUPPLEMENT TO MOTION FOR AMENDED ORDER SCHEDULING LOCAL PUBLIC HEARING OR ALTERNATIVELY APPLICATION FOR REHEARING

Comes now The Empire District Electric Company ("Empire"), by and through its counsel, and for its Supplement To Motion For Amended Order Scheduling Local Public Hearing or Alternatively Application for Rehearing respectfully states as follows to the Missouri Public Service Commission ("Commission"):

- 1. By its Order Directing Filing issued in this case on July 3, 2002, the Commission requested certain information and directed Empire to supplement its motion.
- 2. By way of background, by its Report and Order issued in Case No. ER-2001-299 September 20, 2001, effective October 2, 2001, the Commission authorized a permanent rate increase for Empire of approximately \$17.1 million annually. By that same order, the Commission also approved a Unanimous Stipulation and Agreement regarding Fuel and Purchased Power Expense and Rate Design which authorized the implementation of an Interim Energy Charge ("IEC"), designed to produce approximately \$19.6 million annually, subject to refund. The IEC is to remain in effect through September 30, 2003.
- 3. Thereafter, on March 8, 2002, Empire filed with the Commission tariff sheets designed to increase base rates by \$19,779,916 on a permanent basis. The case was assigned Docket No. ER-2002-424. By its tariff filing, Empire also proposed a reduction

in the IEC in the amount of \$9,994,888, said reduction to remain in effect until September 30, 2003 at which time the IEC, collected subject to refund, terminates. At the time of its filing, the net effect of Empire's March 8, 2002 proposal was an overall rate increase of approximately \$9,785,028.

- 4. Thereafter, on June 4, 2002, in Case No. ER-2002-1074, the Commission authorized what amounts to an "interim" reduction in the IEC through a Credit Rider ("Rider CIEC"), said "interim" reduction to be in effect until September 30, 2003, unless ordered otherwise in connection with Case No. ER-2002-424, Empire's pending permanent rate case. Rider CIEC credits approximately \$7 million to Empire's customers on an annual basis. Empire considers it an early implementation of a portion of the \$9,994,888 IEC reduction requested in Case No. ER-2002-424. In effect, under Empire's proposal the "interim" credit will terminate and be replaced by the permanent reduction to the IEC in the context of Case No. ER-2002-424.
- 5. On June 7, 2002, the Commission issued its Order Scheduling Local Public Hearing in the captioned matter, said order to become effective on June 17, 2002. The order directed Empire to notify its customers that Empire's filing would increase its revenues by approximately \$19,799,916. That language, however, does not fully summarize Empire's proposal in this case.
- 6. If Empire's rate request is approved as filed, customers will see an overall increase of \$9,785,028 above the rates established by the Commission in Empire's last general rate case, Case No. ER-2001-299. (Under this scenario, a residential customer using 750 Kwh would experience a net increase of approximately \$3.23 per month). Also, if Empire's rate request is approved as filed, customers will see an overall increase of

\$16,785,028 over rates <u>now</u> in effect taking into account the impact of the \$7 million "interim" credit rider. (Under this scenario the same residential customer will experience a net increase of approximately \$4.66 per month.)

7. Therefore, to recap:

\$19,779,916 rate increase request in pending case

-\$9,994,888 IEC reduction request in pending case (approximately \$7 million of which is now in place on an interim basis)

\$9,785,028 increase over rates authorized in ER-2001-299

\$16,785,028 increase over rates currently in effect because of the "interim" credit.

WHEREFORE, Empire respectfully supplements its Motion as aforesaid.

Respectfully Submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand-delivered, on this <u>17</u> day of July, 2002, to all parties of record.