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OF COUNSEL
RICHARD T. CIOTTON

October 16, 2002

Mr. Dale Hardy Roberts
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

FILED³

OCT 16 2002

**Re: The Empire District Electric Company
Case No. ER-2002-424**

Missouri Public
Service Commission

Dear Mr. Roberts:

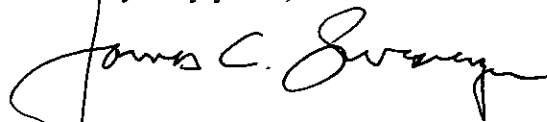
On behalf of The Empire District Electric Company ("Empire"), I deliver herewith for filing with the Missouri Public Service Commission in the referenced matter an original and eight (8) copies of the surrebuttal testimony and schedules of Empire witnesses Brad P. Beecher, Kelly S. Walters, and Donald A. Murry.

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

Would you please bring this filing to the attention of the appropriate Commission personnel.

Thank you very much for your assistance.

Very truly yours,


James C. Swearengen

JCS/lar

Enclosures

cc: Denny Frey
John Coffman
Stuart Conrad

Exhibit No.
Issue: Summer/Winter Differential
Witness: Kelly S. Walters
Type of Exhibit: Surrebuttal
Sponsoring Party: Empire District
Case No.: ER-2002-424
Date Testimony Prepared: 10/16/02

**Before the Public Service Commission
of the State of Missouri**

FILED³

OCT 16 2002

Surrebuttal Testimony

**Missouri Public
Service Commission**

Of

Kelly S. Walters

October 16, 2002

SURREBUTTAL TESTIMONY
OF
KELLY S. WALTERS
THE EMPIRE DISTRICT ELECTRIC COMPANY
BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION
CASE NO. ER-2002-424

1 Q. PLEASE STATE YOUR NAME.

2 A. Kelly S. Walters.

3 Q. ARE YOU THE SAME KELLY S. WALTERS THAT HAS PREVIOUSLY FILED
4 DIRECT, SUPPLEMENTAL DIRECT, AND REBUTTAL TESTIMONY IN THIS CASE
5 BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION ("COMMISSION")?

6 A. Yes.

7 Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

8 A. I will address in this testimony the summer/winter differential in the tail block rate for
9 residential customers. The original proposal by The Empire District Electric Company
10 ("Empire" or "Company") included a declining summer tail block rate. Both the Staff and the
11 Public Counsel, in their rebuttal testimony, have opposed a declining summer tail block rate.

12 Q. HAS EMPIRE PROPOSED ANY ALTERNATIVES IN THE TAIL BLOCK RATE FOR
13 RESIDENTIAL CUSTOMERS?

14 A. Yes. Empire has prepared and presented to Staff and the Public Counsel an alternative that does
15 not include a declining summer tail block. The original proposal along with the alternative is
16 attached as Surrebuttal Schedule KSW-1.

17 Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

18 A. Yes it does.

**MISSOURI RESIDENTIAL RATE
SUMMER/WINTER DIFFERENTIAL**

The proposal below was filed with the Commission in Case 2002-424 in order to reduce the risk of collecting required revenues due to weather. The proposed design increases the winter tailblock and gives the summer tailblock a small decrease.

Rate Design Filed

Normalized billing determinants

BILLING DETERMINANT			RATES		PROPOSED REVENUE		
Summer	Winter	TOTAL	Summer	Winter	Summer	Winter	TOTAL

Residential

Cust Chg	442,586	874,268	1,316,854	8.96	8.96	3,965,574	7,833,438	11,799,012
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KWH

First 600 K	230,780,365	419,140,916	649,921,281	0.0760	0.0760	17,539,308	31,854,710	49,394,017
Excess	304,606,885	527,193,590	831,800,475	0.0670	0.0500	20,408,661	26,359,680	46,768,341

Total	535,387,250	946,334,506	1,481,721,756			41,913,543	66,047,827	107,961,370
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tailblock diff.	1.34
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target	107,961,425
difference	55
%difference	0.0000510%

The proposal below gives the winter rate more of an increase but does not allow for the summer kwh rate to be declining.

New Rate Design Proposed

Normalized billing determinants

BILLING DETERMINANT			RATES		PROPOSED REVENUE		
Summer	Winter	TOTAL	Summer	Winter	Summer	Winter	TOTAL

Residential

Cust Chg	442,586	874,268	1,316,854	9.00	9.00	3,983,278	7,868,408	11,851,686
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KWH

First 600 K	230,780,365	419,140,916	649,921,281	0.0728	0.0728	16,800,811	30,513,459	47,314,269
Excess	304,606,885	527,193,590	831,800,475	0.0728	0.0505	22,175,381	26,623,276	48,798,658

Total	535,387,250	946,334,506	1,481,721,756			42,959,469	65,005,143	107,964,613
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tailblock diff.	1.44
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target	107,961,425
difference	(3,188)
%difference	-0.0029527%

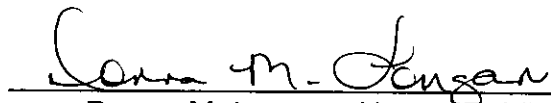
AFFIDAVIT

STATE OF MISSOURI)
) ss
COUNTY OF JASPER)

On the 15th day of October, 2002, before me appeared Kelly S. Walters, to me personally known, who, being by me first duly sworn, states that she is the Director of Planning and Regulatory of The Empire District Electric Company and acknowledged that she has read the above and foregoing document and believes that the statements therein are true and correct to the best of her information, knowledge and belief.


Kelly S. Walters

Subscribed and sworn to before me this 15th day of October, 2002


Donna M. Longan, Notary Public

My commission expires: January 24, 2004

