

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

In the Matter of the Tariff Filing of	)	
The Empire District Electric Company to	)	
Implement a General Rate Increase for	)	Case No. <u>ER-2004-0570</u>
Retail Electric Service Provided to	)	Tariff File No. YE-2004-1324
Customers in its Missouri Service Area.	)	

**RESPONSE TO ORDER DIRECTING FILING**

COMES NOW The Empire District Electric Company ("Empire"), by counsel, and for its Response To Order Directing Filing, respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. On December 20, 2004 the Commission by delegation order issued its *Order Directing Filing* in which it directed the Commission Staff, and if they so desired the other parties, to file, not later than 4:00 p.m. Thursday, December 30, 2004 certain "scenarios" respecting Empire's fuel and purchased power expense.

2. On December 21, 2004 Empire moved for an extension of time until January 10, 2005 to file its response. The Commission granted Empire's motion on December 29, 2004.

3. On December 30, 2004 the Commission Staff filed its *Response To The Commission's Fuel Price Scenarios*.

4. Empire has completed its own fuel model runs based on the "scenarios" set forth in the Commission's December 20, 2004 *Order* and the results of same are attached hereto.

WHEREFORE, Empire respectfully submits its Response to the Commission's  
*Order Directing Filing.*

Respectfully submitted,

**/s/ Charles Brent Stewart**

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Charles Brent Stewart, MoBar#34885  
STEWART & KEEVIL, L.L.C.  
4603 John Garry Drive, Suite 11  
Columbia, Missouri 65203  
(573) 499-0635  
(573) 499-0638 (fax)  
Stewart499@aol.com

CO-COUNSEL FOR THE EMPIRE  
DISTRICT ELECTRIC COMPANY

#### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Response To Order Directing Filing was served on counsel for all parties of record in Case No. ER-2004-0570 via electronic mail this 7th day of January 2005.

**/s/ Charles Brent Stewart**

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The Empire District Electric Company Response To The Commission's Fuel Price Scenarios

Unhedged Natural Gas Price / MMBTU Commission Scenarios	<b>Requested Item 1</b> Weighted Average Natural Gas Price Model Input <sup>1</sup>	<b>Requested Item 2</b> Total MMBTU Of Natural Gas Burned At Each Price	<b>Requested Item 3</b> Fixed & Variable On-System Fuel and Purchased Power <sup>2</sup>
\$ 5.00	\$ 4.84	10,728,300	\$ 127,789,182
\$ 5.25	\$ 4.96	10,699,700	\$ 129,078,756
\$ 5.50	\$ 5.08	10,629,000	\$ 130,313,883
\$ 5.75	\$ 5.20	10,569,200	\$ 131,595,749
\$ 6.00	\$ 5.31	10,542,200	\$ 132,867,244
\$ 6.25	\$ 5.43	10,479,600	\$ 134,005,941
\$ 6.50	\$ 5.55	10,426,300	\$ 135,247,301
\$ 6.75	\$ 5.67	10,366,600	\$ 136,428,883
\$ 7.00	\$ 5.78	10,256,600	\$ 137,445,418

**Footnote 1:** Weighted average natural gas price based on 53% hedged at \$4.705 / MMBTU. The remaining 47% of unhedged gas was priced using each of the Commission's suggested scenario prices. A 53% hedged and 47% unhedged ratio represents an annual natural gas burn of roughly 10,000,000 MMBtu (5,300,000 MMBtu hedged and 4,700,000 MMBtu unhedged) as presented in Empire's rebuttal and surrebuttal testimony.

**Footnote 2:** All runs are based on net system input of 5,064,657 MWH which includes the revenue adjustments reflected in the Stipulation & Agreement filed on 12-22-04. Empire's rebuttal and surrebuttal testimony runs were based on net system input of 5,092,000 MWH.