

LAW OFFICES
BRYDON, SWEARENGEN & ENGLAND

PROFESSIONAL CORPORATION

312 EAST CAPITOL AVENUE

P.O. BOX 456

JEFFERSON CITY, MISSOURI 65102-0456

TELEPHONE (573) 635-7166

FACSIMILE (573) 635-0427

DAVID V.G. BRYDON
JAMES C. SWEARENGEN
WILLIAM R. ENGLAND, III
JOHNNY K. RICHARDSON
GARY W. DUFFY
PAUL A. BOUDREAU
SONDRA B. MORGAN
CHARLES E. SMARR

DEAN L. COOPER
MARK G. ANDERSON
GREGORY C. MITCHELL
BRIAN T. MCCARTNEY
DIANA C. FARR
JANET E. WHEELER

OF COUNSEL
RICHARD T. CIOTTONE

October 4, 2002

FILED³

OCT 04 2002

Missouri Public
Service Commission

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

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

Dear Mr. Roberts:

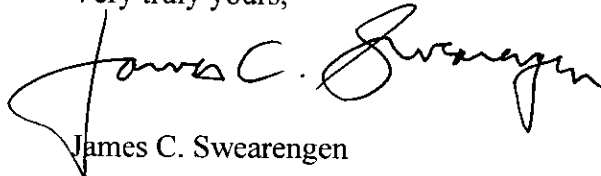
On behalf of The Empire District Electric Company ("Empire"), I deliver herewith for filing with the Missouri Public Service Commission in the referenced matter an original and eight (8) copies of the Statement of Positions on the Issues of The Empire District Electric Company.

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
OCT 04 2002

Missouri Public
Service Commission

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

Case No. ER-2002-424

STATEMENT OF POSITIONS ON THE ISSUES
OF THE EMPIRE DISTRICT ELECTRIC COMPANY

Comes now The Empire District Electric Company ("Empire"), by and through its counsel, and for its Statement of Positions on the Issues, respectfully states as follows to the Missouri Public Service Commission ("Commission"):

1. Capital Structure/Rate of Return:

a) What capital structure is appropriate for Empire?

It is Empire's position that its actual capital structure at June 30, 2002, excluding short term debt, should be utilized for purposes of this case.

b) What return on common equity is appropriate for Empire?

It is Empire's position that the appropriate return on common equity for purposes of this case is 12%.

2. Fuel & Purchased Power:

a) What is the appropriate price of natural gas?

It is Empire's position that natural gas prices should be based on 2003 hedged natural gas prices as of June 30, 2002.

b) What is the appropriate availability of purchased power and its annual average cost per MWH?

It is Empire's position that the appropriate availability and cost of non-contract purchased power should be based upon the methodology reflected in Empire's rebuttal testimony as that methodology reasonably estimates the amount of non-contract power available during the on-peak hours of a year as well as the associated price of the power that is available.

3. Interim Energy Charge:

- a) Should the Interim Energy Charge be continued? If so, at what levels?**

It is Empire's position that the IEC should be continued. An IEC of \$2.50/MWh is appropriate given the level of base expenditures proposed in Empire's rebuttal testimony.

- b) Should a new Interim Energy Charge be implemented? If so, at what level(s)? How should it be structured?**

It is Empire's position that if the current IEC is not continued, a new IEC, substantially in the same form and substance, should replace it. An IEC of \$2.50/MWh is appropriate given the level of base expenditures proposed in Empire's rebuttal testimony.

- c) If the existing IEC is terminated and no new IEC is adopted in this case, then when should refunds related to the past IEC be returned to consumers pursuant to the IEC?**

It is Empire's position that refunds, if any, should be returned to consumers concurrent with the termination of the existing IEC and the implementation of new rates authorized in this case.

4. Energy Trader Commissions:

- a) **How much, if any, of the Commissions paid to Empire's energy traders should be included in cost of service?**

It is Empire's position that the entire amount of the sales commissions of the energy traders should be included in cost of service.

5. Class Cost of Service/Rate Design:

- a) **What should be the appropriate method of class cost of service allocation in this case?**

It is Empire's position that the allocation methods used in its Cost of Service study filed in this case are appropriate. However, notwithstanding its Cost of Service study, it is Empire's position that all rates should be increased by an equal percentage.

- b) **What is the appropriate allocation of any increase in revenues to customer classes?**

It is Empire's position that all rates should be increased by an equal percentage.

- c) **What are the appropriate adjustments to rates for the various customer classes?**

It is Empire's position that each rate step within each rate should be adjusted by the average increase except the residential class. Empire also proposes a revenue neutral change to the summer/winter differential in the residential class.

- d) **Should the rate differential between winter tail block and summer tail block for residential customers be reduced on a revenue-neutral basis? If so, how?**

It is Empire's position that the summer winter differential for residential customers should be reduced by means of a rate which would increase the winter tail-block and decrease the other rate steps in such a way as to make the change revenue neutral after the average increase is calculated.

e) Should Empire be permitted to institute an experimental low-income rider?

It is Empire's position that it should be permitted to institute an experimental low income rider.

f) If an IEC is adopted in this case, what is the appropriate rate design treatment for this charge?

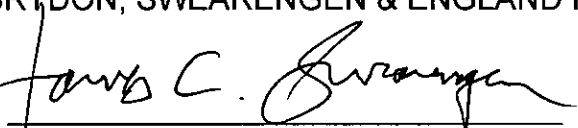
It is Empire's position that the IEC does not involve a rate design issue.

The IEC is a surcharge.

Respectfully Submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

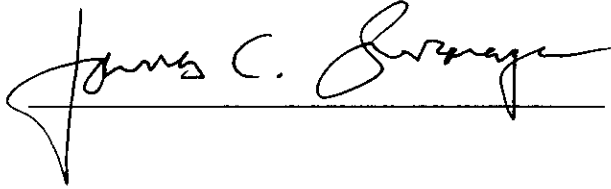
By:


James C. Swearengen # 21510
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Phone: (573) 635-7166
Fax: (573) 634-7431
Email: LRackers@brydonlaw.com

ATTORNEY FOR THE EMPIRE DISTRICT ELECTRIC COMPANY

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 4TH day of October, 2002, to all parties of record.

A handwritten signature in cursive script, reading "James C. Swanson", is written over a horizontal line. The signature is fluid and stylized, with a large initial 'J' and a long, sweeping underline.