

Exhibit No.:
Issues: Sales and Revenues
Rate Design
Witness: Janice Pyatte
Sponsoring Party: MO PSC
Type of Exhibit: True-Up Direct
Testimony
Case No.: ER-2001-299
Date Testimony Prepared: August 7, 2001

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

TRUE-UP DIRECT TESTIMONY

OF

JANICE PYATTE

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2001-299

**Jefferson City, Missouri
August 2001**

Exhibit No. 139
Date 8/23/01 Case No. ER-2001-299
Reporter KRM

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TRUE-UP DIRECT TESTIMONY

OF

JANICE PYATTE

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2001-299

SALES AND REVENUES1

RATE DESIGN4

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True-Up Direct Testimony of
Janice Pyatte

1 (1) Staff witness Roy M. Boltz, Jr. is sponsoring the additional kWh sales
2 and rate revenues to reflect growth in the number of customers between the end of the test
3 year (December 31, 2000) and the end of the update period (June 30, 2001). These numbers
4 are shown in Schedules 1 and 2, attached to this testimony.

5 (2) I have verified that, as of June 30, EDE has not contracted with any
6 customers for interruptible service via Rider IR for the summer of 2001. I have adjusted
7 EDE's revenues relating to interruptible credits accordingly.

8 (3) I have added an adjustment to booked rate revenues to reflect a
9 discrepancy of \$366,207 between EDE's recorded test year booked revenues and the sum of
10 actual test year billed and unbilled revenues. This discrepancy existed in Staff's April 3,
11 2001 direct filing, but was not explicitly identified as such. My subsequent discussions with
12 the Company on this issue leads me to believe that billed plus unbilled is the proper starting
13 point for test year rate revenues.

14 (4) I have revised the annualization for a specific large customer to account
15 for more recent information on that customer's operation.

16 Q. Please describe the revisions you made to the large customer annualization?

17 A. In my direct testimony on the issue of Sales and Revenues, filed
18 April 3, 2001, I made an annualization to both kWh sales and rate revenues to reflect a
19 significant drop in electric load and an associated switch in rate schedule for one large
20 industrial customer. The customer in question was included in the kWh sales and rate
21 revenue of the Large Power class (the rate schedule it switched to) for the entire year, at load
22 levels that I estimated as being representative of its current operating situation. It was

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1 removed entirely from the Special Contracts class (the rate schedule it switched from). The
2 overall effect of this annualization was to reduce both kWh sales and rate revenues.

3 More recent information indicates that the large industrial customer in question has
4 announced the permanent closing of a substantial portion of its Joplin plant. The electric
5 load remaining at the plant is considerably lower than my first estimate and the customer will
6 switch to the General Power, rather than the Large Power, rate schedule. The annualization
7 to test year billed kWh sales and rate revenues shown on Schedules 1 and 2, attached to this
8 testimony, reflects this new information.

9 Q. Please describe Schedule 1, entitled Missouri Retail Sales by Rate Schedule
10 and Cost of Service Class.

11 A. Schedule 1 summarizes Staff's computation of EDE's Missouri jurisdictional,
12 test year kWh sales by cost-of-service class and by rate schedule. The columns of Schedule 1
13 display the adjustments to kWh sales related to the various annualizations, normalizations,
14 and customer growth.

15 Q. Please describe Schedule 2, entitled Missouri Retail Rate Revenues by Rate
16 Schedule and Cost of Service Class.

17 A. Schedule 2 summarizes Staff's computation of EDE's Missouri jurisdictional,
18 test year rate revenues from kWh sales. Rate revenues are presented by cost-of-service class
19 and by rate schedule. The columns of Schedule 2 display the adjustments to rate revenues
20 related to the various annualizations, normalizations, and customer growth.

21 Q. Why is it important to determine EDE's Missouri kWh sales and rate revenues
22 at this stage of the case?

1 A. The kWh sales shown in Schedule 1 and the rate revenues shown in
2 Schedule 2, if adopted by the Commission, will be used to compute the rates that ultimately
3 result from this case.

4 **RATE DESIGN**

5 Q. What is the purpose of your true-up direct testimony on the issue of Rate
6 Design in this case?

7 A. My rate design testimony will describe the outcome of applying the
8 Stipulation and Agreement Regarding Fuel and Purchased Power Expense and Class Cost of
9 Service and Rate Design (Rate Design Stipulation) to the overall revenue increase shown in
10 Staff's Accounting Schedule in this filing. My testimony will answer three basic questions:

11 (1) What distribution of class revenue increases would result if the
12 Commission were to adopt both the stipulated rate design and Staff's calculation of the
13 overall revenue increase?

14 (2) What rate levels would result if the Commission were to adopt both the
15 stipulated rate design and Staff's calculation of the overall revenue increase?

16 (3) What would be the impact on the typical residential customer if the
17 Commission were to adopt both the stipulated rate design and Staff's calculation of the
18 overall revenue increase?

19 **DISTRIBUTION OF OVERALL REVENUE INCREASE TO CLASSES**

20 Q. What distribution of class revenue increases would result if the Commission
21 were to adopt both the stipulated rate design and Staff's calculation of the overall revenue
22 increase?

1 A. According to the Rate Design Stipulation, page 2, section 5, each class's
2 share of the overall revenue increase will be determined as follows:

3 "The parties agree that the difference between an increase in
4 the Company's revenue requirement that is approved by the
5 Commission and the revenues collected by the IEC [interim
6 energy charge] will be allocated to each customer class on an
7 equal-percent-of-revenues basis . . ."

8 The attached Schedule 3, entitled Calculation of Revenue Increases by Cost of
9 Service Class and Rate Schedule, displays the results of applying the above methodology to
10 Staff's trued-up overall revenue increase, kWh sales, and rate revenue. Column 5 on
11 Schedule 3 shows the dollar amount associated with the interim energy charge. The interim
12 energy charge of 0.54 cents per kWh, which will be collected from all customers, will collect
13 \$19,643,484, which represents a 9.65% increase in overall revenues. The percentage
14 increase that will be experienced by each cost of service class and rate schedule, if the
15 interim energy charge is implemented, varies from the overall 9.65% and is shown in
16 Column 6 of Schedule 3. The remaining \$12,420,734 of the total revenue increase will be
17 recovered through a 6.10% increase in existing rates, in accordance with the stipulation and
18 agreement quoted above. The corresponding dollar increase to rate revenues for each cost of
19 service class and rate schedule is shown in Column 3 of Schedule 3.

20 The combined result of both the 6.10% increase in existing rates and the interim
21 energy charge is shown on Schedule 3 as dollar amount (column 7) and percentage (column
22 8). The overall increase of \$32,064,218 represents a 15.75% average increase in EDE's rate
23 revenues. The Residential, Small General Service, and Lighting classes will experience less-
24 than-system-average increases, while the Large General Service, Large Power, and Special
25 Contract classes will experience increases that are greater than the system average.

RATE LEVELS

Q. How will the specific rates to be charged customers be determined under the Rate Design Stipulation?

A. The Rate Design Stipulation, page 2, section 5, states that:

"The parties agree that the difference between an increase in the Company's revenue requirement that is approved by the Commission and the revenues collected by the IEC will be . . . reflected on all Empire Missouri rate schedules as an equal percentage increase (or decrease) to each rate component on each tariff.

Q. What rate levels would result if the Commission were to adopt both the stipulated rate design and Staff's calculation of the overall revenue increase?

A. In accordance with the Rate Design Stipulation quoted above, all existing rate levels will increase by 6.10%. Schedule 4 displays the trued-up EDE rates and the differences between the trued-up EDE rates and the existing rates, measured in terms of both dollars and percent.

IMPACT ON TYPICAL RESIDENTIAL ELECTRIC BILLS

Q. Have you conducted an analysis of the impact that adopting Staff's trued-up rates would have on EDE's residential customers?

A. Yes, I have. Schedule 5 consists of two tables that present information on the rate impact on EDE's residential customers. These two tables, taken together, present three comparisons:

(1) A comparison between the electric bills on existing EDE residential rates and the electric bills on Staff's trued-up residential rates (including the interim energy charge) presented in this testimony.

(2) A comparison between the electric bills on Staff's trued-up residential

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1 rates (including the interim energy charge) and the rates the Company proposed in its original
2 filing in this case.

3 (3) A comparison between the electric bills on Staff's trued-up residential
4 rates (including the interim energy charge) and the residential rates charged at the five other
5 Missouri regulated utilities.

6 Q. Please briefly describe the methodology used to measure the impact that
7 adopting Staff's trued-up rates would have on EDE's residential customers?

8 A. To ensure that the results being presented are only attributable to differences
9 in rates, rather than to differences in electric usage or to a combination of both rates and
10 usage, I defined a "typical customer" who "used" the average monthly residential electric
11 usage, on a normal-weather basis, in EDE's service territory. This typical customer's usage
12 was then priced on the set of residential rates being compared.

13 Q. How do the Staff's trued-up residential rates (including the interim energy
14 charge) compare to the existing EDE residential rates?

15 A. The comparison between the trued-up residential rates (including the interim
16 energy charge) and the existing EDE residential rates is shown on the top table of Schedule
17 5. The comparison is shown by season (summer, winter) and on an annual average basis. If
18 the Commission were to adopt both the Rate Design Stipulation and the \$32,064,218 overall
19 revenue increase proposed by the Staff, the electricity bill paid by the typical residential
20 customer served by EDE would increase by approximately 14.49% (\$10.35) per month. A
21 portion of this amount could be refunded to customers at a later date.

22 Q. How do the Staff's trued-up residential rates (including the interim energy
23 charge) compare to the rates the Company proposed in its original filing in this case?

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1 A. The comparison between the Staff's trued-up residential rates (including the
2 interim energy charge) and the residential rates the Company proposed in its original filing is
3 shown on the bottom table of Schedule 5. The comparison is shown by season (summer,
4 winter) and on an annual average basis. If the Commission were to adopt the Company's
5 originally proposed residential rates, the electricity bill paid by the typical residential
6 customer served by EDE would increase by approximately 19.36% (\$14.76) per month on a
7 permanent (non-refundable) basis.

8 Q. How do the Staff's trued-up residential rates (including the interim energy
9 charge) compare to the residential rates charged at the five other Missouri regulated utilities.

10 A. The second table on Schedule 5 presents a comparison of the electricity
11 bills that the EDE typical customer would experience if billed on the applicable
12 residential rate schedule of each of the other five regulated Missouri electric utilities. The
13 information in this table has been ranked from the lowest monthly bill to the highest.
14 This table demonstrates that the electric bills of EDE's typical residential customer will
15 move from the second lowest electricity bill in the state to the highest. This is true for
16 both the Staff's trued-up rates and the Company's originally proposed rates.

17 Q. What recommendation are you making to the Commission in this testimony?

18 A. I recommend that the Commission adopt the kWh sales displayed on Schedule
19 1, the rate revenues shown on Schedule 2, and the rate levels shown on Schedule 4.

20 Q. Does this conclude your true-up direct testimony in this case?

21 A. Yes, it does.

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

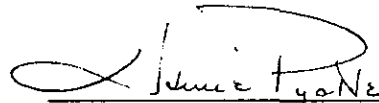
In The Matter Of The Application Of The)
Empire District Electric Company For A)
General Rate Increase)

Case No. ER-2001-299

AFFIDAVIT OF JANICE PYATTE

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Janice Pyatte, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Direct testimony in question and answer form, consisting of 8 pages of True-Up Direct testimony to be presented in the above case, that the answers in the foregoing Direct testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Janice Pyatte

Subscribed and sworn to before me this 7th day of August, 2001.

MICHELLE SCHWARTZE
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. APR. 25, 2005



Notary Public

My commission expires _____

EMPIRE DISTRICT ELECTRIC CO - CASE NO ER-2001-299
MISSOURI RETAIL SALES BY COST OF SERVICE CLASS

Cost of Service Class/Tariff	TY Booked Sales (kWh)	Annualization Adjustment(1)	Normalization Adjustment (2)	Growth Adjustment (3)	Total Test Year Booked Sales (kWh)
RESIDENTIAL	1,457,134,358		(26,307,294)	19,271,413	1,450,098,477
SMALL GENERAL SERVICE:					
Commercial Service	314,196,522		(3,315,333)	10,035,421	320,916,610
Small Heating	108,442,256		(1,017,233)	(13,245,780)	94,179,243
Feed Mills	1,291,512				1,291,512
Traffic Signals	456,549				456,549
Total Small GS	424,386,839	-	(4,332,566)	(3,210,358)	416,843,915
LARGE GENERAL SERVICE:					
Total Electric Buildings	302,944,254		(2,616,566)	(702,217)	299,625,471
General Power	700,599,253	3,600,000	(4,024,636)	40,970,329	741,144,946
Total Large GS	1,003,543,507	3,600,000	(6,641,202)	40,268,111	1,040,770,416
LARGE POWER	644,913,500	(6,208,800)			638,704,700
SPECIAL CONTRACTS	61,663,973	(6,565,800)			55,098,173
ELECTRIC FURNACE	2,081,160				2,081,160
LIGHTING					
Street Lighting	15,350,916				15,350,916
Private Lighting	17,149,283				17,149,283
Special Lighting	1,585,158				1,585,158
Total Lighting	34,085,357	-	-	-	34,085,357
TOTAL MO RETAIL SALES	3,627,808,694	(9,174,600)	(37,281,062)	56,329,166	3,637,682,198

1. Adjustments to sales to reflect significant customer load changes and rate switching.
2. Adjustment to sales resulting from the normalization of sales for weather and calendar year.
3. Adjustment to sales resulting from growth in the number of customers.

EMPIRE DISTRICT ELECTRIC CO - CASE NO ER-2001-299
MISSOURI RETAIL RATE REVENUES BY COST OF SERVICE CLASS

Cost of Service Class/Tariff	TY Booked Revenues	Annualization Adjustment(1)	Normalization Adjustment (2)	Growth Adjustment (3)	Test Year Retail Rate Revenue
RESIDENTIAL	\$92,473,518		(\$1,191,175)	\$1,228,683	\$92,511,026
SMALL GENERAL SERVICE:					
Commercial Service	\$22,443,951		(\$182,011)	\$713,990	\$22,975,930
Small Heating	\$6,338,400		(\$46,706)	(\$755,082)	\$5,536,613
Feed Mills	\$117,329				\$117,329
Traffic Signals	\$24,170				\$24,170
Total Small GS	\$28,923,850	\$0	(\$228,717)	(\$41,092)	\$28,654,041
LARGE GENERAL SERVICE:					
Total Electric Buildings	\$15,370,417		(\$86,014)	(\$16,369)	\$15,268,034
General Power	\$34,880,522	\$169,507	(\$197,767)	\$2,028,744	\$36,881,006
Total Large GS	\$50,250,939	\$169,507	(\$283,780)	\$2,012,374	\$52,149,040
LARGE POWER	\$24,687,223	(\$240,831)			\$24,446,392
SPECIAL CONTRACTS	\$2,187,513	(\$319,509)			\$1,868,004
ELECTRIC FURNACE	\$94,693				\$94,693
LIGHTING					
Street Lighting	\$904,535				\$904,535
Private Lighting	\$2,770,142				\$2,770,142
Special Lighting	\$132,482				\$132,482
Total Lighting	\$3,807,158	\$0	\$0	\$0	\$3,807,158
OTHER RATE REVENUE:					
Interruptible Credits (4)	(\$529,599)	\$186,687			(\$342,912)
Excess Facilities Revenue	\$990,968	\$34,542			\$1,025,511
Other Facilities Revenue	\$517,091				\$517,091
Total Other Rate Revenue	\$978,460	\$221,229	\$0	\$0	\$1,199,690
TOTAL MO RATE REVENUE	\$203,403,354	(\$169,604)	(\$1,703,672)	\$3,199,965	\$204,730,043

1. Adjustments to revenues to reflect significant customer load changes, rate switching and revenue credits.
2. Adjustment to revenues resulting from the normalization of sales for weather and calendar year.
3. Adjustment to revenues resulting from growth in the number of customers.
4. Assumes the Commission determines that the Combined Cycle Unit is "in service".

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2001-299
CALCULATION OF REVENUE INCREASES BY COST OF SERVICE CLASS AND RATE SCHEDULE
(ASSUMES \$32,064,218 INCREASE IN OVERALL REVENUES)

Cost of Service Class/Tariff	(1) Current Revenues	(2) % Change to Rate Schedules	(3) \$ Change to Rate Schedules	(4) Current kWh Sales	(5) \$ to Refundable \$0.0054 Fuel Charge	(6) % Change due to Refundable Fuel Charge	(7) Overall \$ Increase	(8) True-up Overall % Increase
RESIDENTIAL	\$92,511,026	6.10%	\$5,645,619	1,450,098,477	\$7,830,532	8.46%	\$13,476,151	14.57%
SMALL GENERAL SERVICE:								
Commercial Service	\$22,975,930	6.10%	\$1,402,139	320,916,610	\$1,732,950	7.54%	\$3,135,089	13.65%
Small Heating	\$5,536,613	6.10%	\$337,880	94,179,243	\$508,568	9.19%	\$846,448	15.29%
Feed Mills	\$117,329	6.10%	\$7,160	1,291,512	\$6,974	5.94%	\$14,134	12.05%
Traffic Signals	\$24,170	6.10%	\$1,475	456,549	\$2,465	10.20%	\$3,940	16.30%
Total Small GS	\$28,654,041		\$1,748,654	416,843,915	\$2,250,957	7.86%	\$3,999,611	13.96%
LARGE GENERAL SERVICE:								
Total Electric Buildings	\$15,268,034	6.10%	\$931,754	299,625,471	\$1,617,978	10.60%	\$2,549,731	16.70%
General Power	\$36,881,006	6.10%	\$2,250,717	741,144,946	\$4,002,183	10.85%	\$6,252,899	16.95%
Total Large GS	\$52,149,040		\$3,182,471	1,040,770,416	\$5,620,160	10.78%	\$8,802,631	16.88%
LARGE POWER	\$24,446,392	6.10%	\$1,491,876	638,704,700	\$3,449,005	14.11%	\$4,940,882	20.21%
SPECIAL CONTRACTS	\$1,868,004	6.10%	\$113,998	55,098,173	\$297,530	15.93%	\$411,528	22.03%
ELECTRIC FURNACE	\$94,693	6.10%	\$5,779	2,081,160	\$11,238	11.87%	\$17,017	17.97%
LIGHTING								
Street Lighting	\$904,535	6.10%	\$55,201	15,350,916	\$82,895	9.16%	\$138,095	15.27%
Private Lighting	\$2,770,142	6.10%	\$169,052	17,149,283	\$92,606	3.34%	\$261,658	9.45%
Special Lighting	\$132,482	6.10%	\$8,085	1,585,158	\$8,560	6.46%	\$16,645	12.56%
Total Lighting	\$3,807,158		\$232,337	34,085,357	\$184,061	4.83%	\$416,398	10.94%
TOTAL MO RETAIL	\$203,530,354	6.10%	\$12,420,734	3,637,682,198	\$19,643,484	9.65%	\$32,064,218	15.75%

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2001-299
CURRENT AND TRUED-UP RATES - BY RATE SCHEDULE
(ASSUMES \$32,064,218 INCREASE IN OVERALL REVENUES)

RESIDENTIAL SERVICE

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE</u>	
			(\$)	(%)
CUSTOMER CHARGE	\$7.58	\$8.04	\$0.46	6.10%
ENERGY CHARGES				
SUMMER				
FIRST 600 KWH	\$0.0643	\$0.0682	\$0.0039	6.10%
OVER 600 KWH	\$0.0643	\$0.0682	\$0.0039	6.10%
WINTER				
FIRST 600 KWH	\$0.0643	\$0.0682	\$0.0039	6.10%
OVER 600 KWH	\$0.0379	\$0.0402	\$0.0023	6.10%

COMMERCIAL SERVICE

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE</u>	
			(\$)	(%)
CUSTOMER CHARGE	\$10.83	\$11.49	\$0.66	6.10%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0736	\$0.0781	\$0.0045	6.10%
OVER 700 KWH	\$0.0736	\$0.0781	\$0.0045	6.10%
WINTER				
FIRST 700 KWH	\$0.0736	\$0.0781	\$0.0045	6.10%
OVER 700 KWH	\$0.0501	\$0.0532	\$0.0031	6.10%

SMALL HEATING SERVICE

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE</u>	
			(\$)	(%)
CUSTOMER CHARGE	\$10.83	\$11.49	\$0.66	6.10%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0736	\$0.0781	\$0.0045	6.10%
OVER 700 KWH	\$0.0736	\$0.0781	\$0.0045	6.10%
WINTER				
FIRST 700 KWH	\$0.0736	\$0.0781	\$0.0045	6.10%
OVER 700 KWH	\$0.0383	\$0.0406	\$0.0023	6.10%

FEED MILL & GRAIN ELEVATOR (67)

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE</u>	
			(\$)	(%)
CUSTOMER CHARGE	\$16.24	\$17.23	\$0.99	6.10%
ENERGY CHARGE:				
SUMMER				
FIRST 700 KWH	\$0.0942	\$0.0999	\$0.0057	6.10%
OVER 700 KWH	\$0.0942	\$0.0999	\$0.0057	6.10%
WINTER				
FIRST 700 KWH	\$0.0942	\$0.0999	\$0.0057	6.10%
OVER 700 KWH	\$0.0855	\$0.0907	\$0.0052	6.10%

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2001-299
CURRENT AND TRUED-UP RATES - BY RATE SCHEDULE
(ASSUMES \$32,064,218 INCREASE IN OVERALL REVENUES)

GENERAL POWER SERVICE

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE:				
REG MTR BILLS	\$39.31	\$41.71	\$2.40	6.10%
IDR MTR BILLS	\$144.60	\$153.42	\$8.82	6.10%
DEMAND CHARGE:				
SUMMER KW	\$5.35	\$5.68	\$0.33	6.10%
WINTER KW	\$4.18	\$4.44	\$0.26	6.10%
PRIMARY DISCOUNT:				
SUMMER KW	(\$0.185)	(\$0.196)	(\$0.011)	6.10%
WINTER KW	(\$0.185)	(\$0.196)	(\$0.011)	6.10%
ENERGY CHARGE:				
SUMMER				
FIRST 150 HU	\$0.0550	\$0.0584	\$0.0034	6.10%
NEXT 200 HU	\$0.0347	\$0.0368	\$0.0021	6.10%
OVER 350 HU	\$0.0312	\$0.0331	\$0.0019	6.10%
WINTER				
FIRST 150 HU	\$0.0324	\$0.0344	\$0.0020	6.10%
NEXT 200 HU	\$0.0312	\$0.0331	\$0.0019	6.10%
OVER 350 HU	\$0.0304	\$0.0323	\$0.0019	6.10%

TOTAL ELECTRIC BUILDINGS

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE:				
REG MTR BILLS	\$39.31	\$41.71	\$2.40	6.10%
IDR MTR BILLS	\$144.60	\$153.42	\$8.82	6.10%
DEMAND CHARGE:				
SUMMER KW	\$3.35	\$3.55	\$0.20	6.10%
WINTER KW	\$2.75	\$2.92	\$0.17	6.10%
PRIMARY DISCOUNT:				
SUMMER KW	(\$0.185)	(\$0.196)	(\$0.011)	6.10%
WINTER KW	(\$0.185)	(\$0.196)	(\$0.011)	6.10%
ENERGY CHARGE:				
SUMMER				
FIRST 150 HU	\$0.0645	\$0.0684	\$0.0039	6.10%
NEXT 200 HU	\$0.0408	\$0.0433	\$0.0025	6.10%
OVER 350 HU	\$0.0367	\$0.0389	\$0.0022	6.10%
WINTER				
FIRST 150 HU	\$0.0338	\$0.0359	\$0.0021	6.10%
NEXT 200 HU	\$0.0318	\$0.0337	\$0.0019	6.10%
OVER 350 HU	\$0.0307	\$0.0326	\$0.0019	6.10%

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2001-299
CURRENT AND TRUED-UP RATES - BY RATE SCHEDULE
(ASSUMES \$32,064,218 INCREASE IN OVERALL REVENUES)

LARGE POWER SERVICE

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$144.60	\$153.42	\$8.82	6.10%
DEMAND CHARGE:				
SUMMER KW	\$8.55	\$9.07	\$0.52	6.10%
WINTER KW	\$4.72	\$5.01	\$0.29	6.10%
SECONDARY ADDER:				
SUMMER KW	(\$0.180)	(\$0.191)	(\$0.011)	6.10%
WINTER KW	(\$0.180)	(\$0.191)	(\$0.011)	6.10%
ENERGY CHARGE:				
SUMMER				
FIRST 350 HU	\$0.0340	\$0.0361	\$0.0021	6.10%
OVER 350 HU	\$0.0176	\$0.0187	\$0.0011	6.10%
WINTER				
FIRST 350 HU	\$0.0300	\$0.0318	\$0.0018	6.10%
OVER 350 HU	\$0.0169	\$0.0179	\$0.0010	6.10%

POWER FURNACE

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$0.00	\$0.00	\$0.00	0.00%
ENERGY CHARGE:				
SUMMER KWH	\$0.0455	\$0.0483	\$0.0028	6.10%
WINTER KWH	\$0.0455	\$0.0483	\$0.0028	6.10%

SPECIAL TRANSMISSION SERVICE

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$144.60	\$153.42	\$8.82	6.10%
FACILITIES CHARGE:				
SUMMER KW	\$0.27	\$0.29	\$0.02	6.10%
WINTER KW	\$0.27	\$0.29	\$0.02	6.10%
DEMAND CHARGE:				
SUMMER ON-PEAK KW	\$13.02	\$13.81	\$0.79	6.10%
WINTER ON-PEAK KW	\$8.85	\$9.39	\$0.54	6.10%
ENERGY CHARGE:				
SUMMER				
ON-PEAK KWH	\$0.0259	\$0.0275	\$0.0016	6.10%
SHOULDER KWH	\$0.0206	\$0.0219	\$0.0013	6.10%
OFF-PEAK KWH	\$0.0155	\$0.0164	\$0.0009	6.10%
WINTER				
ON-PEAK KWH	\$0.0179	\$0.0190	\$0.0011	6.10%
OFF-PEAK KWH	\$0.0146	\$0.0155	\$0.0009	6.10%

MISCELLANEOUS SERVICE (33)

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
CUSTOMER CHARGE	\$10.83	\$11.49	\$0.66	6.10%
ENERGY CHARGE:				
SUMMER KWH	\$0.0526	\$0.0558	\$0.0032	6.10%
WINTER KWH	\$0.0526	\$0.0558	\$0.0032	6.10%

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2001-299
CURRENT AND TRUED-UP RATES - BY RATE SCHEDULE
(ASSUMES \$32,064,218 INCREASE IN OVERALL REVENUES)

PRIVATE LIGHTING

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
STREET LIGHTING LAMPS:				
MERCURY VAPOR				
6800 LUMENS	\$8.42	\$8.93	\$0.51	6.10%
20000 LUMENS	\$14.01	\$14.86	\$0.85	6.10%
54000 LUMENS	\$26.87	\$28.51	\$1.64	6.10%
SODIUM VAPOR				
6000 LUMENS	\$7.78	\$8.25	\$0.47	6.10%
16000 LUMENS	\$11.32	\$12.01	\$0.69	6.10%
27500 LUMENS	\$16.37	\$17.37	\$1.00	6.10%
50000 LUMENS	\$18.99	\$20.15	\$1.16	6.10%
METAL HALIDE				
12000 LUMENS	\$13.12	\$13.92	\$0.80	6.10%
20500 LUMENS	\$17.51	\$18.58	\$1.07	6.10%
36000 LUMENS	\$19.64	\$20.84	\$1.20	6.10%
FLOOD LIGHTING LAMPS:				
MERCURY VAPOR				
20000 LUMENS	\$19.64	\$20.84	\$1.20	6.10%
54000 LUMENS	\$32.44	\$34.42	\$1.98	6.10%
SODIUM VAPOR				
27500 LUMENS	\$19.04	\$20.20	\$1.16	6.10%
50000 LUMENS	\$26.10	\$27.69	\$1.59	6.10%
140000 LUMENS	\$38.14	\$40.47	\$2.33	6.10%
METAL HALIDE				
12000 LUMENS	\$13.48	\$14.30	\$0.82	6.10%
20500 LUMENS	\$18.02	\$19.12	\$1.10	6.10%
36000 LUMENS	\$26.59	\$28.21	\$1.62	6.10%
110000 LUMENS	\$38.84	\$41.21	\$2.37	6.10%
OTHER CHARGES:				
ADDL POLES	\$1.08	\$1.15	\$0.07	6.10%
ADDL ANCHOR	\$1.08	\$1.15	\$0.07	6.10%
ADDL CONDUCTOR	\$0.010	\$0.011	\$0.001	6.10%

MUNICIPAL STREET LIGHTING

	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
STREET LIGHTING LAMPS:				
INCANDESCENT				
4000 LUMENS	\$34.96	\$37.09	\$2.13	6.10%
10000 LUMENS	\$71.96	\$76.35	\$4.39	6.10%
MERCURY VAPOR				
7000 LUMENS	\$47.49	\$50.39	\$2.90	6.10%
11000 LUMENS	\$57.00	\$60.48	\$3.48	6.10%
20000 LUMENS	\$81.61	\$86.59	\$4.98	6.10%
53000 LUMENS	\$137.69	\$146.09	\$8.40	6.10%
SODIUM VAPOR				
6000 LUMENS	\$44.50	\$47.22	\$2.72	6.10%
16000 LUMENS	\$55.71	\$59.11	\$3.40	6.10%
27500 LUMENS	\$72.50	\$76.92	\$4.42	6.10%
50000 LUMENS	\$103.34	\$109.65	\$6.31	6.10%
130000 LUMENS	\$166.76	\$176.94	\$10.18	6.10%
METAL HALIDE				
12000 LUMENS	\$69.80	\$74.06	\$4.26	6.10%
20500 LUMENS	\$85.36	\$90.57	\$5.21	6.10%
36000 LUMENS	\$114.18	\$121.15	\$6.97	6.10%
110000 LUMENS	\$252.33	\$267.73	\$15.40	6.10%
SPECIAL LIGHTING				
	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>DIFFERENCE (\$)</u>	<u>(%)</u>
MINIMUM CHARGE	\$24.90	\$26.42	\$1.52	6.10%
ENERGY CHARGE:				
SUMMER				
FIRST 1000 KWH	\$0.0914	\$0.0970	\$0.0056	6.10%
OVER 1000 KWH	\$0.0714	\$0.0758	\$0.0044	6.10%
WINTER				
FIRST 1000 KWH	\$0.0914	\$0.0970	\$0.0056	6.10%
OVER 1000 KWH	\$0.0714	\$0.0758	\$0.0044	6.10%

THE EMPIRE DISTRICT ELECTRIC COMPANY - CASE NO. ER-2001-299

**THE IMPACT OF TRUE-UP RATES ON
TYPICAL RESIDENTIAL ELECTRIC BILLS**

	SUMMER AVERAGE	WINTER AVERAGE	ANNUAL AVERAGE
NORMALIZED USE (KWH/MONTH)	1,275	1,026	1,109
BILL ON CURRENT RATES (\$/MONTH)	\$89.56	\$62.31	\$71.39
BILL ON PROPOSED RATES (\$/MONTH)	\$101.91	\$71.65	\$81.74
DOLLAR CHANGE FROM CURRENT (\$/MONTH)	\$12.35	\$9.34	\$10.35
PERCENT CHANGE FROM CURRENT (%)	13.79%	14.99%	14.49%
ASSUMES A 6.10% INCREASE IN RATES PLUS AN INTERIM ENERGY CHARGE OF \$0.0054 PER KWH			

**A COMPARISON OF TYPICAL RESIDENTIAL ELECTRIC BILLS
AT MISSOURI INVESTOR-OWNED UTILITIES**

	EFFECTIVE DATE	SUMMER AVERAGE	WINTER AVERAGE	ANNUAL AVERAGE
ST. JOSEPH LIGHT & POWER CO.	10/31/99	\$87.19	\$58.43	\$68.02
EMPIRE DISTRICT ELECTRIC CO.	09/19/97	\$89.56	\$62.31	\$71.39
KANSAS CITY POWER & LIGHT CO.	08/01/99	\$100.46	\$62.24	\$74.98
UNION ELECTRIC CO.	03/30/00	\$109.76	\$60.28	\$76.77
CITIZENS ELECTRIC CORP.	03/28/97	\$90.89	\$72.24	\$78.45
MISSOURI PUBLIC SERVICE	04/17/98	\$98.30	\$69.12	\$78.84
EMPIRE DISTRICT ELECTRIC CO.	True-up	\$101.91	\$71.65	\$81.74
EMPIRE DISTRICT ELECTRIC CO.	EDE Proposal	\$108.09	\$75.18	\$86.15
NOTE: THE TYPICAL RESIDENTIAL CUSTOMER USAGE IS ASSUMED TO AVERAGE 1,275 KWH IN THE SUMMER MONTHS AND 1,026 KWH IN THE WINTER MONTHS.				