

# SECTION 1 SCHEDULE A

November 4, 2009

Ms. Susan Duffy Executive Director Kansas Corporation Commission 1500 S.W. Arrowhead Road Topeka, KS 66614

Dear Ms. Duffy:

Please find enclosed an original and nine copies of an Application by The Empire District Electric Company (Empire) for authority to adjust its rate schedules applicable to the sale of electricity in the State of Kansas.

It is requested the enclosures be filed, docketed and processed in accordance with the Commission's Rules of Practice and Procedure.

Portions of the enclosed Application have been marked as confidential. Empire requests said material be filed pursuant to K.S. A. 66-1220a.

Additional copies of the enclosed Application are available and will be furnished to the commission or to interested parties upon request.

Sincerely,

y halter

Kelly S. Walters

kae

Enclosures

### BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

)

)

)

)

)

In the Matter of the Application of The Empire District Electric Company for Approval of the Commission to Make Certain Changes in Its Charges for Electric Service

Docket No. 10-EPDE-314-RTS

#### **APPLICATION**

COMES NOW The Empire District Electric Company, hereinafter referred to as Applicant, and respectfully states as follows:

1. Applicant is a corporation duly organized and existing under the laws of the State of Kansas and is engaged in doing business in said state and has heretofore duly qualified to do and is doing business in the states of Missouri, Arkansas and Oklahoma. Applicant owns and operates an electric utility system located in contiguous portions of the states of Kansas, Missouri, Oklahoma and Arkansas with its executive offices at 602 S. Joplin Street, Joplin, Missouri 64801. Applicant is the holder of a certificate from the State of Kansas confirming its right to conduct the business of an electric utility pursuant to K.S.A. 66-101 *et. seq.*, and by reason thereof has the duty and responsibility to provide and maintain an adequate supply of electric service for its existing and prospective customers located within its defined service area in Cherokee and Labette Counties, Kansas.

2. Applicant has heretofore filed with the Commission certified copies of Articles of Incorporation under which it was organized and of all amendments and restatements thereto and the same are incorporated herein by reference.

3. Applicant provides electric service subject to the jurisdiction of this Commission to approximately 10,102 retail customers in southeastern Kansas. At year end June 30, 2009, 8,643 were residential customers, 1,229 were commercial customers, 50 were industrial customers, and 180 were public authority and street & highway customers.

4. Applicant's basic rates now in effect were established by order of the Commission dated June 24, 2006, Docket EPDE-980-RTS after investigation and hearing. Such rates were established upon an historic test year ended December 31, 2004.

5. Since the last general increase in electric rates, Applicant has experienced substantial capital additions to the electric system, specifically the Riverton 12 generating unit, the addition of new pollution control equipment at the Asbury power plant, Iatan 1 Air Quality Control Systems, the coal-fired Plum Point Generating Station, and Iatan 2, and the increase in annual operating costs that will accompany these units as they go into service.

6. That the applicant has minimized the costs to the consumers; controlled the dilutive effect of new equity issues and maintained the investment grade ratings on Applicant's debt. Applicant issued long-term debt in March 2007, May 2008 and March 2009 for \$80, \$90 and \$75 million respectively. In addition, Applicant issued new common equity in June 2006 and December 2007 for \$66.8 and \$69 million, respectively. In February 2009 Applicant began a \$60 million Equity Distribution Program which was recently expanded to sell up to \$120 million of common stock. To-date \$30.6 million of new common equity has been issued under this program. All as shown by the exhibits and schedules attached hereto.

7. That the Applicant has included herewith a proposal for an equal percent increase to all customer classes with no need for allocations of cost between customer classes.

8. That the electric rate increase proposed herein, if approved by this Commission, would increase Applicant's annual gross operating revenue in the state of Kansas by the amount of \$5,203,483, and would increase Applicant's net income after federal and state income taxes by the amount of \$3,133,668. That

such increase is necessary and required and will not result in unjust or unreasonable rates.

9. That the foregoing paragraphs are intended to provide the information required by Rule 82-1-231 of the Rules of Practice and Procedure of the commission, as amended, and that in further compliance with Rule 82-1-231, there are attached hereto exhibits and schedules containing the information required by Sections 1 through 13, inclusive and Sections 16, 17 and 18 of Rules 82-1-231, as amended.

10. That the adjustment in electric rates sought herein is required in order to permit Applicant to render safe, reliable and efficient service, to protect its financial integrity and to attract capital; that it is in the public interest that Applicant be permitted to earn a fair and reasonable return to permit the continuation of safe, efficient and sufficient service, and that to attract capital a competitive return must be offered, which is necessary for Applicant to safely maintain, operate and expand its distribution system in the State of Kansas.

WHEREFORE, The Empire District Electric Company respectfully requests: (1) the approval and consent of this Commission to place in effect rate schedules to provide an annual increase in gross revenues of \$5,203,483, to implement the changes in tariffs and such other and further relief as may be proper and appropriate in the premises; and (2) such waiver, if any, of the Commission's rules and regulations as may be necessary in order for acceptance of this filing.

### THE EMPIRE DISTRIC ELECTRIC COMPANY

Kelly S. Walters

# **AFFIDAVIT OF KELLY S. WALTERS**

STATE OF MISSOURI ) ) \$\$ COUNTY OF JASPER )

On the 3rd day of November, 2009, before me appeared Kelly S. Walters, to me personally known, who, being by me first duly sworn, states that she is the Vice President of Regulatory and Services of The Empire District Electric Company and acknowledges 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.

ugh a Kellv S. Walters

Subscribed and sworn to before me this 3rd day of November, 2009

SLILLUJ. BLOLLUCK Notary Public

My commission expires 4 WV 16,2010

