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

In the Matter of The Empire District Electric	)	
Company's Application for Certificate of Public	)	
Convenience and Necessity and Approval of	)	Case No. EO-2005-0263
an Experimental Regulatory Plan Related to	)	
Generation Plant.	)	

## FIRST STATUS REPORT

COMES NOW The Empire District Electric Company (Empire or Company), and, as its First Status Report, states to the Missouri Public Service Commission (Commission) as follows:

- 1. On February 4, 2005, Empire applied for a certificate of convenience and necessity to participate in a steam electric generation station (Iatan Unit 2) and to get Commission approval of an experimental regulatory plan concerning its participation in that plant, or other baseload generation options.
- 2. By its Order Establishing Intervention Period issued April 12, 2005, the Commission directed that notice of Empire's Application be given to the public. The Commission further provided that interested parties would have until April 27, 2005, to request intervention.
- 3. With the intervention date now upon us, Empire would like to update the Commission as to the status of this case and provide Empire's view as to how the case should proceed in the short term.
- 4. Empire's Application in this case stated, among other things, that Empire intended to amend its Application to provide a preliminary resource plan by February 28, 2005, and to update the plan at the conclusion of Empire's then pending rate case (Case No. ER-2004-0570).

Empire still intends to amend its Application in this case to make more specific the general subjects discussed in the original application.

- 5. However, Empire's ability to provide a more detailed amendment has been delayed by related events and various tasks that Empire believes it must complete in order to move forward in a meaningful manner. As suggested by the Application language, Empire felt that in order to properly model various resource and rate scenarios, it was important to utilize the rates to be ordered by the Commission in Case No. ER-2004-0570. The Commission issued its Report and Order in that case on March 10, 2005. The new rates were effective on March 27, 2005, and the applications for rehearing were denied on April 7, 2005.
- 6. Additionally, Empire has sought input from Standard & Poor's (S&P) concerning potential financing alternatives and possible impacts of various resource scenarios upon Empire's investment grade status. Empire held meetings with S&P the week of April 11, 2005, and has just received initial feedback from S&P this week.
- 7. The parties have agreed to meet for a technical conference concerning the issues in this case on May 10, 2005. At that time, Empire will present to the parties background information concerning its regulatory plan and the need therefore, and will also seek questions, comments and other feedback from the parties.
- 8. Empire anticipates that it will be in a position to file its amended application within seven (7) days after this May 10, 2005 meeting.
- 9. Empire will also seek to discuss with the parties how this case might proceed in the longer term. As the Commission is now aware, the Stipulation and Agreement in the Kansas City Power & Light Company regulatory plan case (Case No. EO-2005-0329) identifies Empire

as a "preferred potential partner in the Iatan 2 generating plant project" if Empire has a "commercially feasible financing plan for meeting [its] financial commitments to participate in the ownership of the Iatan 2 plant by the later of August 1, 2005, or such date that KCPL shall issue its request(s) for proposal(s) related to Iatan 2." Accordingly, in order to further the goal of a timely completion of this case, Empire would ask that the Commission direct that the parties file a proposed procedural schedule by May 17, 2005.

WHEREFORE, Empire respectfully requests that the Commission consider this First Status Report.

Respectfully submitted,

Dean L. Cooper

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ATTORNEYS FOR THE EMPIRE DISTRICT ELECTRIC COMPANY

## **CERTIFICATE OF SERVICE**

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