

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

July 1, 1998

CASE NO: EF-98-120

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

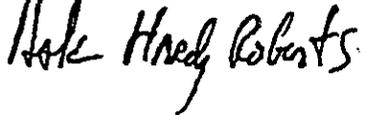
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P.O. Box 360
Jefferson City, MO 65102

Myron W. McKinney
Empire District Electric Company
602 Joplin Street
Joplin, MO 64801

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Uncertified Copy:

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 1st
day of July, 1998.

In the Matter of the Application of)
The Empire District Electric Company)
for Authority to Issue and Sell under)
Its Existing Indenture of Mortgage and)
Deed of Trust Dated as of September 1,)
1944, as Amended and Supplemented, up)
to and Including \$80,000,000 Principal)
Amount of its First Mortgage Bonds, in)
One or More Series and to, among Other)
Things, Execute and Deliver a)
Supplemental Indenture or Indentures to)
Provide for the Terms of Said Bonds.)

Case No. EF-98-120

ORDER DIRECTING COMPLIANCE

On September 16, 1997, The Empire District Electric Company (Empire or Company) filed an application requesting authority to issue and sell under its existing Indenture of Mortgage and Deed of Trust dated September 1, 1944, as amended and supplemented, up to and including \$80,000,000 principal amount of its First Mortgage Bonds, in one or more series, and to execute and deliver a Supplemental Indenture or Indentures to provide for the terms of the bonds. On January 20, 1998, the Staff of the Commission (Staff) filed its memorandum in which Staff recommended that the Commission approve the application with certain conditions attached.

The Commission issued its Order Approving Financing on March 17 with the conditions recommended by the Staff included. The Commission's conditional paragraphs ordered:

8. That The Empire District Electric Company shall file with the Commission the final terms and conditions, including the aggregate principal amount to be sold, price information, estimated expenses and portion subject to the fee schedule, concerning each issuance of Bonds authorized in this order within ten days of execution.

9. That The Empire District Electric Company shall file with the Commission any information concerning the communication of The Empire District Electric Company with credit rating agencies concerning the debt authorized in this order within ten days of transmitting the aforesaid information.

10. That The Empire District Electric Company shall file with the Commission any information concerning deviations from their stated use of the funds from the bond issuances that would materially change the pro forma capitalization and financial ratios as described in the memorandum filed by the Staff of the Commission on January 20, 1998.

11. That The Empire District Electric Company shall file with the Commission any information concerning use of the funds from the bond issuance authorized in this order with regard to redemption of any outstanding long-term debt, including Net Present Value calculations, indicating the amount of interest cost savings.

On May 18 Empire filed with the Commission with attachments purported to be Appendix 5(a) Price information and other terms and Provisions; Appendix 8(a) Statement of Expenses Incurred through 4/30/98, First Mortgage Bonds, 6.5% Series, Due 2010; and Appendix 11(a) Statement of Portion of the Issuance of the Bonds Subject to Fee Schedule. Empire's letter also states that there was no deviation from the stated use of the funds that would change the pro forma capitalization and financial ratios. The Company noted that the issuance did not involve the redemption of outstanding long-term indebtedness. The May 18 filing by the Company appears to comply with the conditions ordered in paragraphs 8, 10, and 11 of the Commission's March 17 order. The

Company's letter does not specify whether the Company has communicated with credit rating agencies about this debt issue.

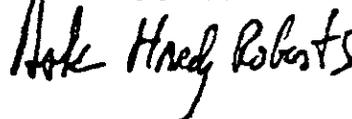
If Empire has communicated with credit rating agencies concerning the debt authorized in the Commission's March 17, 1998 order pursuant to paragraph 9 of that order, then the Company must notify the Commission as required by the March 17 order. If Empire has had no communications with credit rating agencies concerning the debt authorized in the Commission's order, then Empire shall file a pleading or letter so stating.

IT IS THEREFORE ORDERED:

1. That The Empire District Electric Company shall file with the Commission any information concerning the communication of The Empire District Electric Company with credit rating agencies concerning the debt authorized in the Commission's March 17, 1998 order, or if no communications were had, The Empire District Electric Company shall notify the Commission of its full compliance with the Commission's March 17 order. This notice or filing shall be filed with the Commission by July 20, 1998.

2. That this order shall become effective on July 14, 1998.

BY THE COMMISSION



Dale Hardy Roberts

Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer and Drainer, CC., concur.

Register, Regulatory Law Judge

ALJ/Sec'y: Register / R. Boyce
6-26 EF-98-120
Date Circulated CASE NO.

[Signature]
Lumpe, Chair

[Signature]
Crumpton, Commissioner

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Murray, Commissioner

[Signature]
Schemenauer, Commissioner

[Signature]
Drainer, Vice-Chair

7-1
Agenda Date

Action taken: 5-OAS

Must Vote Not Later Than _____

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

**I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.**

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 1st day of July, 1998.



Dale Hardy Roberts

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

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