



Missouri Public Service Commission

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June 14, 2000

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Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Case No. EF-98-120

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION AND REQUEST FOR LEAVE TO LATE-FILE**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Bruce H. Bates
Assistant General Counsel
(573) 751-7434
(573) 751-9285 (Fax)

BB/df
Enclosure
cc: Counsel of Record

FILED²

JUN 14 2000

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

JUN 14 2000

Missouri Public
Service Commission

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

STAFF RECOMMENDATION AND REQUEST FOR LEAVE TO LATE-FILE

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and for its *Staff Recommendation And Request For Leave To Late-File* states as follows:

In 1998, The Empire District Electric Company (Empire) issued \$50,000,000 First Mortgage Bonds pursuant to a March 17, 1998 *Order Approving Financing*, in the instant docket, which permitted Empire to issue up to and including \$80,000,000 principal amount of First Mortgage Bonds. Empire has not issued any additional amount of First Mortgage Bonds since that time.

In the attached *Memorandum*, which is labeled *Appendix A*, the Staff recommends that the Missouri Public Service Commission, for the reasons stated therein, keep this case open and the current authorization in effect until the earlier of March 27, 2001, or the date of the closing of the Empire-UtiliCorp United Inc. merger, should the Commission issue its authorization for such merger to occur.

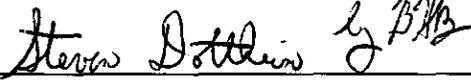
The Staff further recommends that should the Commission be inclined to close this case, the Commission should cancel the existing authorization to issue the full principal amount of

\$80,000,000 First Mortgage Bonds, of which \$50,000,000 have been issued and authorization for an additional \$30,000,000 principal amount is outstanding and should be canceled. The Commission should make clear, should the Commission close the instant case, that it is not canceling its authorization for Empire to have issued the \$50,000,000 First Mortgage Bonds that Empire issued in 1998. The authorization that the Commission would be canceling is the authorization that Empire has not utilized, i.e., the authorization in the instant case for Empire to issue up to and including \$30,000,000 First Mortgage Bonds in addition to the \$50,000,000 principal amount that already has been issued by Empire.

The Staff apologizes for the delay in filing this *Staff Recommendation* and requests that the Commission grant leave for the Staff to make this late filing.

Respectfully submitted,

DANA K. JOYCE
General Counsel

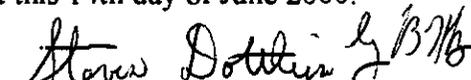


Steven Dottheim
Chief Deputy General Counsel
Missouri Bar No. 29149

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel or parties of record as shown on the attached service list this 14th day of June 2000.


Steven Dottheim

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EF-98-120, The Empire District Electric Company

FROM: Ronald L. Bible *RLB*
Financial Analysis Department

Ronald L. Bible 6/9/00
Project Coordinator / Date

6/12/00
Steven D. [unclear] Bible 6-9-00
General Counsel's Office / Date

SUBJECT: Staff's Recommendation regarding the Status of the Application of The Empire District Electric Company for Authority to Issue Debt in the Form of First Mortgage Bonds.

DATE: June 9, 2000

The Empire District Electric Company

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 First Mortgage 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 a proposed date of transaction of any time over the next two years and with certain conditions. The Commission issued its Order Approving Financing on March 17, 1998, based on Staff's recommendations and with the Staff's conditions included.

On May 18, 1998 Empire filed notice with the Commission in compliance with Ordered Paragraph No. 8 of the Commission's March 17, 1998 Order Approving Financing. The filing stated that Empire had recently issued \$50,000,000 of the \$80,000,000 First Mortgage Bonds authorized by the Commission's order. On July 1, 1998, the Commission issued an Order Directing Compliance requiring Empire to file with the Commission any information concerning communication of The Empire District Electric Company with credit rating agencies concerning the debt authorized in the Commission's March 17, 1998 order. If no communications were had, The Empire District Electric Company was required to notify the Commission of its full compliance with the Commission's March 17, 1998 order. On July 8, 1998, Empire filed Notice To The Commission, stating that it did verbally inform the relevant rating agencies concerning the terms and conditions of its April 28, 1998, First Mortgage Financing. Empire further noted that its issuance on April 28, 1998 had not exhausted the authority under the shelf registration, and it would be premature to close the docket at that time.

On March 29, 2000, the Commission issued its Order Directing Filing requiring Empire to file a report with the Commission regarding the status of this case including the time expected before the transaction authorized by the Commission in its March 17, 1998 order will be complete. On April 5, 2000, Empire filed a Status Report stating that it had advised the Commission on May 18, 1998 that it had issued \$50,000,000 First Mortgage Bonds pursuant to the Commission's March 17, 1998 Order Approving Financing, and since that time there has been no financing undertaken by Empire subject to the Application in this case. Empire went on to state that it may yet issue additional first mortgage bonds under the shelf registration, but it is not possible at this time to specify when that event might take place. In addition, Empire proposed that should the Commission be inclined to close the case, there is no reason it should not do so.

Staff recommends the case remain open. Empire is currently undergoing a merger that may affect its future financing requirements and abilities. Furthermore, Empire has indicated its potential intent to issue the remaining bonds under the existing authorization. Therefore, Staff recommends the current authorization remain in effect, but not for an unlimited amount of time. The Staff recommends that the current authorization remain in effect until the earlier of March 27, 2001, which is three years after the effective date of the Commission's Order Approving Financing, or the date of the Empire - Utilicorp merger. Should the Commission be inclined to close the case, Staff recommends that the Commission cancel the existing authorization to issue \$80,000,000 First Mortgage Bonds, of which \$50,000,000 have already been issued and \$30,000,000 remain outstanding, pursuant to the Commission's March 17, 1998 Order Approving Financing. The Commission should make clear that it is not canceling its authorization for Empire to have issued the \$50,000,000 First Mortgage Bonds that Empire issued in 1998.

Service List for
Case No. EF-98-120
June 14, 2000

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