

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

| | | |
|--------------------------------------|---|----------------|
| In the Matter of the Application of |) | |
| The Empire District Electric Company |) | |
| and The Empire District Gas Company |) | Case No. _____ |
| for Approval of Their Cost |) | |
| Allocation Manual. |) | |

JOINT APPLICATION

COME NOW The Empire District Electric Company ("Empire Electric") and The Empire District Gas Company ("Empire Gas") (collectively, the "Utilities"), by and through counsel, and, for their joint application for approval of their Cost Allocation Manual ("CAM"), respectfully state as follows to the Missouri Public Service Commission ("Commission"):

Applicants

1. Empire Electric is a Kansas corporation with its principal office and place of business at 602 South Joplin Avenue, Joplin, Missouri, 64801. Empire Electric is engaged in the business generally of providing electrical and water utility services in Missouri to customers in its service areas. Empire Electric is an "electrical corporation," a "water corporation," and a "public utility" as those terms are defined in RSMo. §386.020, and is subject to the jurisdiction and supervision of the Commission as provided by law. A subsidiary also provides fiber optic services.

2. Empire Gas is a corporation organized and existing under the laws of the State of Kansas, with its principal office located at 602 Joplin Street, Joplin, Missouri, 64802. Empire Gas provides natural gas service and is a "gas corporation" and a "public utility" as those terms are defined in RSMo. §386.020, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. The Utilities have no pending or final unsatisfied judgments or decisions against them from any state or federal agency or court which involve customer service or challenges to rates, which have occurred within the three years immediately preceding the filing of this Application, except the appeal of Empire Electric's rate case that was the subject of Commission Case No. ER-2008-0093. The Utilities have no overdue Commission annual reports or assessment fees.

4. Empire Electric's documents of incorporation have been previously filed with the Commission in Case No. EF-94-39, and said documents are incorporated herein by reference in accordance with 4 CSR 240-2.060(1)(G). A Certificate of Authority from the Missouri Secretary of State to the effect that Empire Electric, a foreign corporation, is duly authorized to do business in the State of Missouri was filed with the Commission in Case No. EM-2000-369 and is incorporated herein by reference.

5. Empire Gas was authorized to provide natural gas service pursuant to authority granted by the Commission in Case No. GO-2006-0205, by Commission Order issued on April 18, 2006. A certified copy of Empire Gas' Certificate of Authority to do business as a foreign corporation evidencing its authority to conduct business in Missouri was submitted in Case No. GO-2006-0205 and is incorporated herein by reference.

6. All communications, notices, orders, and decisions respecting this application and proceeding should be addressed to the undersigned counsel and:

Kelly Walters
Vice President and Chief Operating Officer - Electric
The Empire District Electric Company
602 South Joplin Avenue
P.O. Box 127
Joplin, Missouri 64802

CAM Filing

7. In Empire Electric's last general rate case, Case No. ER-2011-0004, certain parties entered into a Global Agreement, which was filed with the Commission on May 27, 2011, and approved by the Commission by its Order Approving Global Agreement dated June 1, 2011, effective June 6, 2011. Paragraph six of the Global Agreement provides as follows: "... Empire agrees to file for Commission approval of its Cost Application Manual (CAM)." Pursuant to this provision, Empire Electric makes this Application and has attached hereto as **Appendix A** its 2011 CAM (marked Highly Confidential in its entirety). Because Empire Electric and Empire Gas both use the CAM attached hereto, the Utilities hereby jointly request approval of this CAM. This CAM was filed in EFIS as a non-case related filing, BAFT-2012-0019, on July 14, 2011.

8. In an effort "to prevent regulated utilities from subsidizing their non-regulated operations," the Commission has implemented affiliate transaction rules which may be found at 4 CSR 240-20.015 for Electric Utilities and at 4 CSR 240-40.015 for Gas Utilities. The Utilities' CAM attached hereto identifies how costs will be assigned or allocated to comply with these rules.

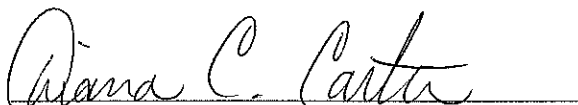
Notice of Filing

9. The Utilities do not believe that it is likely this case will become "contested." The Utilities, however, do not know the precise direction this filing will take or whether it will become a contested case. The Commission and all parties to Empire Electric's last rate case were put on notice that the CAM would be filed with the Commission for approval when the Global Agreement in Case No. ER-2011-0004 was approved by the Commission. Further, the Utilities are not aware of any ex parte communications with the Commission regarding this CAM. Should the Commission conclude that the filing of this Application is likely to be a

contested case and is thereby subject to the notice of filing requirement of 4 CSR 240-4.020(2), the Utilities submit that notice of this filing was provided by virtue of the Commission's approval of the referenced Global Agreement, or, in the alternative, the Utilities request a waiver of the sixty day notice requirement for good cause shown pursuant to 4 CSR 240-4.020(2)(B).

WHEREFORE, the Utilities respectfully request that the Commission issue an order approving their Cost Allocation Manual and waiving the notice requirement of 4 CSR 240-4.020(2), if necessary. The Utilities request such other and further relief as the Commission deems necessary or appropriate under the circumstances.

Respectfully submitted,

A handwritten signature in cursive script, reading "Diana C. Carter", is written over a horizontal line.

James C. Swearengen #21510

Dean L. Cooper #36592

Diana C. Carter #50527

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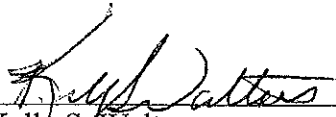
LRackers@brydonlaw.com

Attorneys for The Empire District Electric Company and
The Empire District Gas Company

VERIFICATION

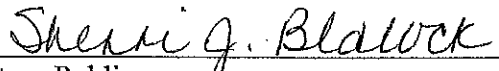
STATE OF MISSOURI)
)
COUNTY OF COLE) ss

Kelly S. Walters, having been duly sworn upon her oath, states that she is Vice President and Chief Operating Officer – Electric of The Empire District Electric Company and that the matters and things stated in the foregoing application are true and correct to the best of her information, knowledge and belief.



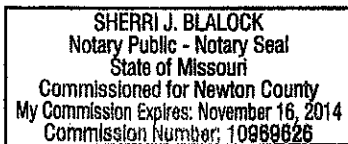
Kelly S. Walters

Subscribed and sworn to before me, a notary public, on this 23 day of August, 2011.



Notary Public

My Commission expires: Nov. 16, 2014.



Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via electronic mail on this 23rd day of August, 2011, to:

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Lewis R. Mills, Jr.
Office of the Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102

Reana C. Carter