

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

In the matter of the Application of)	
Empire District Gas Company for a)	
waiver from the application of)	GT-2007-0207
certain tariff language regarding)	
refunds.)	

**RESPONSE AND RECOMMENDATION OF
SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIATION**

COMES NOW SEDALIA INDUSTRIAL ENERGY USERS' ASSOCIATION (hereinafter "SIEUA") and respectfully provide the Commission with their Response and Recommendation to the December 1, 2006 Application for Waiver by Empire District Gas Company ("Empire Gas") of December 1, 2006.

1. SIEUA representatives have reviewed materials provided by Empire Gas subsequent to the December 1, 2006 filing. Our review of these materials indicates that Empire Gas has properly calculated the refunds due to the sales and transportation class of customers and that the current gas transporters who would be excluded from participation in the refunds is consistent with SIEUA's understanding of the Request for Waiver.

2. SIEUA also commends Empire Gas for recognizing that this matter should be addressed similarly to the earlier related refund matter concerning *ad valorem* refunds.

3. SIEUA has two areas of concern with the Application for Waiver. Were those areas to be addressed by a subsequent clarification filing by Empire Gas, our recommendation

would be consistent with that of Staff, *i.e.*, the approval of the waiver as requested. These concerns are:

a. ***Calculation of Interest Due to Transportation***

Customers. Our review of the materials and workpapers supplied suggests that the aggregate amount of interest relating to the period of time that Empire Gas had these moneys in hand has been appropriately calculated. However, Empire Gas does not appear to have divided this amount of interest proportioned by the same sales/transportation ratio used to allocate the refunds. Certainly the sales customers are entitled to their share of these refunds and the associated interest. No less entitled to their share of these interest allocations are former sales customers that are now transportation customers.

b. ***Former Sales-Now Transportation Customers***

That Previously Qualified For Refunds Should Not Be Required To Requalify. As noted, this is not the first time that the *ad valorem* refunds have been addressed before the Commission. In the prior refund case, former sales customers who are now transportation customers qualified for the refunds by providing information to Aquila sufficient to verify their entitlement to the refunds. Once is enough. The period and derivation of the refunds are the same. The group was previously established. Previously qualified customers should not be required to requalify to participate in these refunds. Empire Gas has indicated verbally that they may lack this information from

Aquila and SIEUA is willing to work with representatives of Empire Gas to verify qualification, but full requalification should not be required.

4. Were these two concerns addressed appropriately in Empire Gas's Request for Waiver, possibly through an amendment to the Request or an additional pleading clarifying the Request, SIEUA would have no objection to the Commission's grant of the requested waiver.

WHEREFORE, SIEUA prays that the Commission receive and consider these comments and further requests clarification or amendment of the Request for Waiver consistent with the above statements or that any order approving the requested Waiver be conditioned in a manner consistent with the above statements.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.



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ATTORNEYS FOR SEDALIA INDUSTRIAL
ENERGY USERS' ASSOCIATION

December 15, 2006

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Application to Intervene by electronic means or by U.S. mail, postage prepaid addressed to all parties by their attorneys of record as provided by the Secretary of the Commission.



Stuart W. Conrad

Dated: December 15, 2006