

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

In the Matter of the Application of)	
The Empire District Electric Compa-)	
ny for the Issuance of an Account-)	
ing Authority Order Relating to its)	EU-2011-0387
Electrical Operations and for a)	
Contingent Waiver of the Notice)	
Requirement of 4 CSR 240-4.020(2))	

**APPLICATION TO INTERVENE OF
PRAXAIR, INC. AND
EXPLORER PIPELINE COMPANY**

COME NOW PRAXAIR, INC. ("Praxair") and EXPLORER PIPELINE COMPANY ("Explorer") (collectively "Applicants") pursuant to 4 C.S.R. 240-2.075 and apply to intervene herein and become parties hereto for all purposes in respect to the Application for an Accounting Authority Order ("AAO") by Empire District Electric Company ("Empire") on June 6, 2011. In support, Applicants state:

1. Praxair is a large industrial electric customer of Empire. Praxair operates a major air liquefaction and constituent gas separation facility near Neosho, Missouri. Praxair is the successor in interest to the Linde Division of Union Carbide Corporation.

2. Through Praxair's own prior interventions and those of its predecessor, Praxair's interests in proceedings affecting the rates, terms and conditions of electric service from Empire have been previously recognized by the Missouri

Public Service Commission in permitting Praxair's intervention in numerous rate design and electric rate proceedings concerning Empire, including Empire's last general rate case, ER-2011-0004, and preceding rate matters, and in Empire's Regulatory Plan, EO-2005-0263.

3. Explorer is a large industrial electric customer of Empire. Explorer operates a 1,400-mile pipeline system that transports liquid petroleum products including gasoline, diesel fuel and jet fuel from the Gulf Coast to the Midwest. Explorer is based in Tulsa, Oklahoma, and also serves Houston, Dallas, Fort Worth, St. Louis and Chicago. Portions of Explorer's products pipeline extend through the service territory of Empire where Explorer has three electric-driven pumping stations. Explorer was an intervenor with Praxair in Empire's last general rate case, ER-2011-0004, in several prior cases, and in Empire's Regulatory Plan, EO-2005-0263.

4. Correspondence or communications regarding this application, including service of all notices and orders of this Commission, should be addressed to:

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5. On June 6, 2011, Empire filed an application for an Accounting Authority Order that would allow Empire to under-

take certain accounting procedures in connection with its electrical operations in relation to the serious damage caused by the May 22, 2011 tornado that struck the City of Joplin, Missouri. By its Order Directing Notice dated June 7, 2011, the Commission established directed notice and established a deadline for interventions. This Application is timely pursuant to that Order.

6. Praxair and Explorer are sensitive to and concerned regarding the unprecedented damage to the Joplin community that occurred on May 22, 2011 and are supportive of Empire's efforts to restore service to that community. Accordingly we are generally not opposed to the issuance of an AAO as we understand that process and that rates would not be impacted until the AAO is presented in the context of a future rate case where the deferrals may be reviewed for reasonableness. However, there are certain aspects of Empire's Application that appear to go beyond the usual parameters of an AAO that cause Praxair and Explorer concern. These include:

a. Empire appears to request identification and deferral of an amount equal to the estimated " . . . loss of the fixed cost components of the Company's rates" This appears to be requesting AAO treatment for lost revenue net of any savings in fuel costs. Variations in revenue levels are typically a risk that is assumed by the utility and addressed through a return on equity calculation. Moreover, many events other than loss of business resulting from tornado damage could

cause revenues to be depressed such as a cool summer, warm winter or even the current, sustained economic downturn. Utilities are not guaranteed a return, but only an opportunity to manage their operations in such a way as to earn a reasonable return. At the same time, we are sensitive to the unprecedented nature of the May 22 damage and are willing to discuss this matter with Empire and other parties at the appropriate time.

b. Empire appears to request that the AAO specify a defined deferral period of five years. The level of costs may be such that either a longer or shorter deferral period would be more appropriate. A decision on the amortization period and the matter of financing the deferrals should be decided in a future rate case, not at the time an AAO is granted. Again, we are certainly willing to discuss this concern with Empire and other parties at an appropriate time.

c. Empire's AAO Application refers to a reduction in sales, and a corresponding reduction in the need for generation for native load, and that Application also refers to a potential increase in off-system sales. Adjustments in fuel costs including off-system sales revenues, are seen as properly part of Empire's fuel adjustment clause and may not be part of this AAO, but we are uncertain because of Empire's references in its Application. Again, we seek clarification of this reference with Empire and to clarify the scope of its requested AAO.

7. Applicants are interested in and will be directly affected by this proposed AAO and in its impact on ratepayers

generally and upon Praxair and Explorer specifically. Praxair operates in a highly competitive commercial environment and increases to electric power costs have a decided effect upon Praxair's competitive position in its market. As a major interruptible electric customer of Empire, Praxair will be directly affected by the proposed AAO and will be bound or adversely affected by any Commission order issued in this proceeding. Explorer is a FERC-regulated petroleum products pipeline and cannot pass cost increases to its own rates without further processes. Because Empire provides electricity to Praxair on an interruptible basis under a separate contract and rate schedule and because of Applicants' size and load factor, Applicants' interest is direct, immediate, unique, different from that of the general public, and will not or cannot adequately be represented by any other party. Therefore, it will aid the Commission and protect and advance the public interest that Applicants be permitted to intervene in this proceeding to protect their interest which no other party is in a position properly to protect or adequately represent.

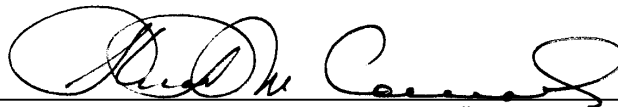
8. For purposes of 4 C.S.R. 240-2.075(2), Applicants state that they generally oppose utility requests that seek to vary from the traditional strictures of ratemaking including the appropriate matching of revenues and expenses. We do, however, recognize that in the particular circumstances of this case, the unprecedented nature of the damage sustained to Empire's system,

the impact upon the Joplin community and Empire's size, additional considerations may be appropriate.

WHEREFORE, Applicants request: (a) that they be permitted to intervene herein and be made parties hereto with all rights to have notice of and participate in hearings to present evidence, cross-examine witnesses, file briefs and participate in argument, should any be had; and (b) for all other needful and proper relief appropriate in the premises.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

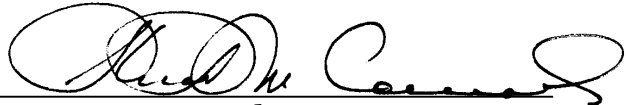
A handwritten signature in black ink, appearing to read "Stuart W. Conrad", is written over a horizontal line.

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ATTORNEYS FOR PRAXAIR, INC. and
EXPLORER PIPELINE, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by electronic means, by United States Mail, First Class postage prepaid, or by hand delivery to all known parties in interest upon their respective representatives or attorneys of record as reflected in the records maintained by the Secretary of the Commission.


Stuart W. Conrad

Dated: June 23, 2011