

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

In the matter of the Application of) The Empire District Electric Compa-) ny for authority to file tariffs) reflecting increased charges for) electric service within its Mis-) souri service area)	ER-2004-0570
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APPLICATION TO INTERVENE

COMES NOW EXPLORER PIPELINE COMPANY ("Explorer") pursuant to 4 C.S.R. 240-2.075 and applies to intervene herein and become a party hereto for all purposes in respect to the filing for increased rates made herein by Empire District Electric Company ("Empire") on or about April 30, 2004. In support thereof, Explorer respectfully states:

1. 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, Okla., 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.

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

Stuart W. Conrad, Esq.
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with an additional service copy to:

Curtis Craig, Esq.
General Counsel
Explorer Pipeline Company
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3. On April 30, 2004 Empire filed an application with this Commission requesting Commission approval of proposed tariff changes that would result in an increase in annual revenues of roughly \$38.2 million or approximately 16 percent in the aggregate. The reasons stated for this request include asserted new or increased operating costs and obligations and proposed plant additions. Certain suggestions are also made regarding the selective recovery of fuel costs that Empire asserts are associated with energy generation.

4. Explorer is vitally interested in this proposed increase, in its terms and conditions, and in its impact on ratepayers generally and upon Explorer's operations specifically. Through connections with other products pipelines, Explorer serves more than 70 major population centers in 16 states. Major tankage and terminals are located at Port Arthur, Greenville and Grapevine, Texas; Glenpool, Okla.; Wood River, Ill.; and Hammond,

Ind. There are presently 20 pump stations located throughout the system. The three Explorer pump stations that are supplied with electrical energy by Empire are integral components of Explorer's overall system and reliable supplies of electric energy are important to that overall operation.

5. Explorer operates in a commercial environment where shipping costs are critical. Increases to electric power costs have a decided effect upon Explorer's commercial position. As a major electric customer of Empire, Explorer will be directly affected by the proposed increase and will be bound or adversely affected by any Commission order issued in this proceeding. Because Empire provides electricity to Explorer under separate rate schedules and because of Explorer's energy consumption and high load factor, Explorer's interest is direct and immediate, differs 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 Explorer be permitted to intervene in this proceeding to protect its interest which no other party is in a position properly to protect and adequately represent.

6. At the present time Explorer expects to work in a joint manner with Praxair and to share both counsel and consultants as needed.

7. Explorer also believes that electric rates should be based on cost of service and believes that only through such

an approach avoids subsidization between groups of customers and undue discrimination in electric rates. Explorer also has concerns regarding the costs that it has to incur despite its ownership of substations associations with two of its three pumping stations in that, as a result of its ownership of those substations, Explorer is required to absorb transformation and distribution losses while other customers may benefit from the avoidance by Empire of those distribution and secondary costs even though Explorer's current rate presumes that these costs are required for Explorer's service.

8. Further, with regard to the proposed increase, Explorer is vitally interested in issues that are or may be raised by this filing with respect to any increase in Empire's rates and revenues, including, without limitation, (1) the revenues which will or may be realized under such rates and the increase over revenues resulting from former rates in effect before the current filing, (2) expenses and revenues to be charged to the appropriate test period, and (3) the design and structure of rates to raise the necessary revenues to meet Empire's proper class cost of service. Explorer is also concerned with respect to certain proposals that would reduce Empire's risk of operations by allowing the passthrough of certain fuel costs to ratepayers.

9. For purposes of 4 C.S.R. 240-2.075(2), Explorer states that it is opposed to the discriminatory and non-cost-

based pricing of electricity and related utility services. Further, Explorer states that at the present time the proposed rates have not been shown to be just or reasonable and they may, in fact, be unjust and unreasonable. Review of Empire's recently-received filing is continuing. On many other issues, a statement of Explorer's position must, of necessity, be deferred pending completion of that review.

10. Undersigned counsel has spoken to James Swaengen, counsel for Empire who has authorized him to state that Empire has no objection to this proposed intervention.

WHEREFORE, Explorer prays: (a) that upon suspension an appropriate procedural schedule be adopted providing for a hearing and the filing of exhibits and testimony; (b) that following such investigation the matter be set for hearing before the Commission in which the applicant utility shall be put to its proof regarding the need for the proposed increase and all aspects of its proposed methodology of recovery; and (c) that Explorer be permitted to intervene herein and be made a party 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 (d)

for all other needful and proper relief appropriate in the premises.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.

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

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ATTORNEYS FOR EXPLORER PIPELINE
COMPANY

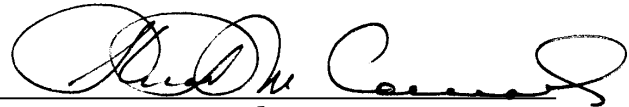
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Application for Leave to Intervene either by hand delivery, 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 as shown below.

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Stuart W. Conrad

Dated: May 20, 2004