BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Application of The Empire District Electric Company for authority to file tariffs reflecting increased charges for electric service within its Missouri service area	)))))	**Case No. ER-2001-299/ Case No. ET-2002-210**

INTERVENOR PRAXAIR'S COMMENTS
ON EMPIRE DISTRICT'S "ALTERNATIVE SUGGESTION"

In the interest of brevity, Praxair will not recount the factual background that has brought us to this point in this proceeding.[1/]

In general, Praxair continues to have the concerns that have been voiced in our initial comments as well as the concerns expressed by others. At the same time, it is obvious that an error has been made -- there seems little or no factual dispute about that -- the concern remains how, and whether, to attempt repair.

That having been said, ***if it is possible*** to move beyond the concerns originally raised in response to Empire's original Motion, Empire's "alternative suggestion," we understand would (without increasing the overall revenue levels) increase the amount of the permanent (non-fuel) portion of the increase and reduce the subject-to-refund fuel portion. The effect of this

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[1/]We do note that the original rate case, ER-2001-299, has been "closed" and a new ET case opened. To avoid confusion, Praxair has included both matters in the caption of this pleading.

proposal, as we understand it, would be to reduce the amount that would potentially be subject to refund at the end of the fuel refund period and thus, correspondingly, result in a potentially smaller rate reduction at that time -- assuming, of course, that the current levels of fuel costs are maintained. In effect, the error is recognized and recovery is allowed, but in something of a "deferred" or "backended" manner and without additional revenue increases to ratepayers.[2/]

Assuming that we have properly understood the alternative proposal, Praxair's position is that it appears to be a constructive offering. While certainly not resolving the serious concerns that others have raised such as timeliness, single-issue ratemaking and the like, it does propose a mechanism to mitigate a difficult circumstance and as such may merit exploration and further discussion among the parties. Succinctly put, Praxair would not oppose implementing such a proposal, as long as other

[2/]We recognize readily that this is not a true "deferral."

issues could be resolved to the satisfaction of other interests represented in the case.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by hand delivery, First Class US Mail or electronic means upon each person designated on the official service list compiled by the Secretary in this proceeding as follows:

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Dated: November 14, 2001

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