

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

In the Matter of The Empire)	
District Electric Company's Request)	<u>Case No. ER-2016-0023</u>
For Authority to Implement a General)	Tracking No.: YE-2017-0120
Rate Increase for Electric Service)	

**Public Counsel's Sur-Reply to Empire Regarding
Demand Side Management Tariff Sheets**

COMES NOW the Office of the Public Counsel ("OPC" of "Public Counsel"), pursuant to 4 CSR 240-2.080(13), and offers this *Sur-Reply to Empire Regarding Demand Side Management Tariff Sheets*.

1. On January 17, 2017, The Empire District Electric Company ("Empire") filed its reply to OPC's objection to Empires Demand Side Management Tariff Sheets. In its reply, Empire states its position that it has complied with the Commission's August 10, 2016, *Order Approving Stipulation and Agreement* that resolved Empire's rate case (See Document No. 179).
2. In support of its position, Empire states members of the Demand Side Management ("DSM") group discussed and agreed that Empire should implement four DSM programs. Public Counsel does not dispute that the DSM group discussed the four programs as agreed in the Stipulation and Agreement. In fact, Public Counsel's objection quoted the section of the Stipulation and Agreement and further acknowledged "Empire's tariff sheets include information outlining four programs including (1) Customer C&I Program, (2) Income-Eligible Multi-Family direct Install, (3) Multi-Family Direct Install, and (4) Residential HVAC Program." (Doc. No. 281, p. 2).
3. The dispute is whether Empire's tariff sheets comply with the Commission's Order approving the provision of the Stipulation and Agreement wherein the signatories agreed that

“[t]he DSMAG will investigate Pay As You Save (“PAYS”) Financing and similar programs, the feasibility of administering PAYS Financing and similar programs in Empire’s service territory, and Empire will arrange for a presentation on PAYS Financing or a similar program at a Commission Agenda meeting.” (Doc. No. 179, Attachment A, p. 7).

4. Public Counsel agrees that it arranged with Empire a presentation to the Commission on PAYS. However, absent from the tariff sheets is any indication that Empire or the Demand Side Management Advisory group will investigate or study the feasibility of administering a PAYS program. Empire attached an email from OPC economist Dr. Geoff Marke and includes a quote saying the idea to modify the budget came from the Agenda presentation to the Commissioners. The email does not support Empire’s position. Importantly, the email also includes Public Counsel’s belief that “[t]he inclusion of this study would also be in compliance with the stipulated agreement regarding investigating on-bill and PAYS tariff financing.” Public Counsel’s objection to Empire’s 2nd Revised Sheet No. 8e offered as a solution to allocate \$10,000 (or less than 1%) from the 2017 budget to conduct a feasibility study.

5. Public Counsel appreciates the company’s willingness to continue working with the parties to investigate PAYS. In order to ensure Empire is able to meet this stipulated term, OPC requests the Commission direct Empire to amend its 2nd Revised Sheet No. 8e relating to DSM program budgets to specifically identify a PAYS program feasibility study.

6. Making this change should not delay the implementation of the four other agreed-upon DSM programs. The only change would be that each of the four programs would have \$2,500 removed from the budget for 2017 (less than 1% of the overall annual budget) in order to ensure resources are available to conduct the feasibility study as the parties agreed and Commission ordered.

WHEREFORE, the Office of the Public Counsel submits this *Sur-Reply to Empire Regarding Demand Side Management Tariff Sheets*; requests the Commission reject Empire's filed 2nd Revised Sheet No. 8e; and requests the Commission direct Empire to file an amended 2nd Revised Sheet No. 8e containing the budget allocation to study PAYS.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 20th day of January 2017:

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