

Exhibit No.:
Issues: *Low Income Program*
Witness: *Carol Gay Fred*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Rebuttal Testimony*
Case No.: *ER-2011-0004*
Date Testimony Prepared: *April 7, 2011*

MISSOURI PUBLIC SERVICE COMMISSION
GENERAL COUNSEL DIVISION

REBUTTAL TESTIMONY
OF
CAROL GAY FRED

EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2011-0004

Jefferson City, Missouri
April 2011

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EMPIRE DISTRICT ELECTRIC COMPANY
CASE NO. ER-2011-0004

Q. Please state your name and business address

A. My name is Carol Gay Fred, and my business address is 200 Madison Street, Suite 800, Jefferson City, MO 65101.

Q. By whom are you employed and in what capacity?

A. I am the Consumer Services Manager for the Missouri Public Service Commission (Commission or MoPSC).

Q. Are you the same Carol Gay Fred who testified in Empire's previous Case ER-2010-0130 in April 2010, concerning Empire's Experimental Low Income Program ("ELIP")?

A. Yes.

Q. Is Staff recommending the discontinuance of the ELIP in this case?

A. Yes.

Q. Why?

A. As I stated previously in Case No. ER-2010-0130, the *Third Stipulation and Agreement as to Certain Issues* entered into in Case No. ER-2008-0093 provided that the existing ELIP will continue until the new rates are implemented in the Iatan 2 rate case as specified in the Regulatory Plan Stipulation and Agreement, Case No. EO-2005-0263.

Rebuttal Testimony of
Carol Gay Fred

Q. Was there any other consideration to your recommendation to discontinue the ELIP program?

A. Yes, I reviewed the final version of the third party evaluation on the ELIP, which suggested that arrearage levels increase for all ELIP participants when they no longer participate in the program. It also suggests that ELIP participants' arrearage levels increase beyond the level they carried prior to their participation in the ELIP program. Therefore, I believe the program is a subsidy to the customer that participates.

Q. What would be Staff's recommendation for any shareholder's unspent dollars associated with the ELIP program?

A. Staff would recommend that any shareholder's unspent dollars from the ELIP program be used in the Company's low income weatherization programs.

Q. Does this conclude your testimony?

A. Yes.

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

In the matter of The Empire District Electric)
Company of Joplin, Missouri for Authority to)
File Tariffs Increasing Rates for Electric Service)
Provided to Customers in the Missouri Service)
Area of the Company)
Case No. ER-2011-0004

AFFIDAVIT OF CAROL GAY FRED

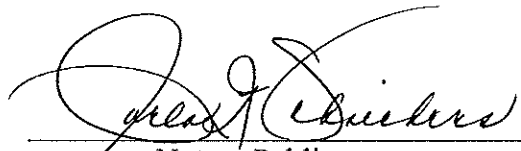
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Carol Gay Fred, of lawful age, on her oath states: that she has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 2 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true to the best of her knowledge and belief.



Carol Gay Fred

Subscribed and sworn to before me this 7th day of April, 2011.



Notary Public

CARLA K. SCHNIEDERS
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: August 25, 2012
Commission Number: 08533187