

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

In the Matter of The Empire District Electric )	<u>Case No. ET-2008-0223</u>
Company's Amendment of its P.S.C. Mo. )	Tariff File No. YE-2008-0408
No. 5 Section 4 Sheets No. 12-16c. )	

**STAFF RECOMMENDATION**

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to the January 3, 2008 filing of tariff sheets PSC Mo. No. 5 Section 4 Sheets No. 12-16c and the Motion For Expedited Treatment and Variance of The Empire District Electric Company (Empire).

Although the Commission has within nine (9) months of the effective date of the new "Net Metering and Easy Connection Act" (Act) part of Senate Bill 54 to promulgate initial rules, the effective date of the new Act is January 1, 2008. The Staff recommends that the Empire tariff sheets be approved with less than thirty (30) days notice for good cause shown, pursuant to Section 393.140(11) RSMo. 2000, and that the Commission grant a variance to Empire from Commission Rule 4 CSR 240-20.065 Net Metering until the Commission rescinds the present rule and adopts a new rule consistent with the new Act.

The Staff notes that the language in Senate Bill 54, i.e., Section 386.890.6(2) and Section 386.890.6(3)(b), regarding liability insurance is unclear. Section 386.890.6(2) states that for customer-generator systems of 10 kW or less, a customer generator whose system meets the standards and rules under subdivision (1) of this subsection shall not be required to purchase additional liability insurance beyond what is required under subdivision (1) of this subsection and subsection 4 of this section. Section 386.890.6(3)(b) states that for customer-generator systems greater than 10 kW, the Commission shall by rule establish the qualifications for

exemption from a requirement to purchase additional liability insurance. The problem with the lack of clarity is that liability insurance is not addressed in any other part of the new “Net Metering and Easy Connection Act” part of Senate Bill 54, other than Section 386.890.6(2) and Section 386.890.6(3)(b).

Wherefore the Staff recommends that the Empire tariff sheets PSC Mo. No. 5 Section 4 Sheets No. 12-16c be approved with less than thirty (30) days’ notice for good cause shown, pursuant to Section 393.140(11) RSMo. 2000, and that the Commission grant a variance to Empire from Commission Rule 4 CSR 240-20.065 Net Metering until the Commission rescinds the present rule and adopts a new rule consistent with the new Act.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams  
Deputy General Counsel  
Missouri Bar No. 35512

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#### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronically mailed to all counsel of record this 4th day of January 2008.

/s/ Nathan Williams

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. ET-2008-0223, Tariff File No. YE-2008-0408  
The Empire District Electric Company

FROM: James C. Watkins, Project Coordinator  
David W. Elliott, Utility Engineering Specialist III

/s/ James C. Watkins 01/04/08  
Energy Department / Date

/s/ Nathan Williams 01/04/08  
General Counsel's Office / Date

SUBJECT: Staff Recommendation for **Expedited Approval** of Tariff Sheets Filed to Revise Its Net Metering Program To Comply With The “Net Metering And Easy Connection Act” (386.890, RSMo Cum. Supp. 2007) and for approval of request for variance from the Commission’s Net Metering Rule 4 CSR 240-20.065

On January 3, 2008, The Empire District Electric Company of Joplin, Missouri, filed with the Commission eight (8) tariff sheets to revise its Net Metering Program with a proposed thirty-day effective date of February 2, 2008. The Company also filed its Motion For Expedited Treatment And Variance, requesting an effective date of January 17, 2008, to “allow Empire to comply with the Act in a timely manner.”

Currently, the Act provides that the value of the electric energy purchased from a Customer-Generator is netted against the value of the electric energy delivered to the customer-generator in calculating the customer-generator’s bill or bill credit. The revised Act provides that the electric energy purchased from a Customer-Generator is netted against the electric energy delivered to the Customer-Generator, then the net energy is priced out to determine the Customer-Generator’s bill or bill credit. If the electricity supplied by Company exceeds the electricity supplied by the Customer-Generator, the net amount of the bill will be determined by application of the rate schedule for the Customer-Generator’s service classification. If the electricity supplied by the Customer-Generator exceeds the electricity supplied by Company, the net amount of the bill will be determined by application of the non-time-differentiated Standard Rates For Purchases from Qualifying Facilities

The Missouri Public Service Commission Energy Department Staff (Staff) has reviewed the filed tariff sheets and believe they conform to the requirements of the Act with one possible exception. The Act does not specify a minimum amount of liability insurance that the Company may require to be carried by the Customer-Generator; however, Company proposes in this tariff filing to require Customer-Generators to carry no less than \$100,000 of liability insurance for generators larger than 10 kW. No liability insurance would be required for generators of 10 kW or less. The Staff believes that these limits are reasonable based on the limits established by the Commission’s current Net Metering Rule (4 CSR 240-20.065) and should be allowed to be in effect at least until such time as the Commission revises its Net Metering Rule.

The Staff has reviewed the filed tariff sheets and recommends issuing an order approving the following tariff sheets, as filed on January 3, 2008, to go into effect for service on and after January 17, 2008, as requested by Company in its Motion for Expedited Treatment And Variance, for good cause shown pursuant to Section 393.140(11) RSMo 2000:

P.S.C. Mo. No. 5

4 <sup>th</sup>	Revised Section 4, Sheet No. 12	Cancelling 3 <sup>rd</sup>	Revised Section 4, Sheet No. 12
5 <sup>th</sup>	Revised Section 4, Sheet No. 13	Cancelling 4 <sup>th</sup>	Revised Section 4, Sheet No. 13
4 <sup>th</sup>	Revised Section 4, Sheet No. 14	Cancelling 3 <sup>rd</sup>	Revised Section 4, Sheet No. 14
5 <sup>th</sup>	Revised Section 4, Sheet No. 15	Cancelling 4 <sup>th</sup>	Revised Section 4, Sheet No. 15
6 <sup>th</sup>	Revised Section 4, Sheet No. 16	Cancelling 5 <sup>th</sup>	Revised Section 4, Sheet No. 16
	Original Section 4, Sheet No. 16a		
	Original Section 4, Sheet No. 16b		
	Original Section 4, Sheet No. 16c		

The Staff further recommends that the Commission grant Company's request for a variance from the Commission's current Net Metering Rule (4 CSR 240-20.065) as requested in its Motion For Expedited Treatment And Variance.

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OF THE STATE OF MISSOURI**

In the Matter of The Empire District Electric Company's )	Case No. ET-2008-0223
Amendment of its P.S.C. Mo. No. 5 Section 4 Sheets No. )	File No. YE-2008-0408
12-16c (Net Metering Rider) )	

**AFFIDAVIT OF JAMES C. WATKINS**

**STATE OF MISSOURI**     )  
                                      ) ss  
**COUNTY OF COLE**         )

James C. Watkins, of lawful age, on oath states: that he has participated in the preparation of the foregoing Staff Recommendation; that he has knowledge of the matters set forth in such recommendation; and that such matters are true to the best of his knowledge and belief.

  
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Subscribed and sworn to before me this 4<sup>th</sup> day of January, 2008.



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

  
\_\_\_\_\_  
Notary Public

My commission expires 9-21-10