

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 12th day of August, 2009.

In the matter of The Empire District Gas Company of)
Joplin, Missouri for Authority to File Tariffs Increasing) **File No. GR-2009-0434**
Rates for Gas Service Provided to Customers in the) **Tariff No. YG-2009-0855**
Missouri Service Area of the Company.)

ORDER REGARDING NOTICE

Issue Date: August 12, 2009

Effective Date: August 12, 2009

The Missouri Public Service Commission is:

- Approving customer notice (“notice”) by insert as described below ; and
- Excluding certain words (“the disputed clause”) from notice.

The proposed notice is part of The Empire District Gas Company’s (“Empire”) compliance with the Commission’s order dated June 12, 2009.

1. Comment Form

The proposed notice includes a clip-and-mail comment form. Such forms’ content, and filing in the Commission’s electronic filing and information system (“EFIS”), is the subject of the Commission’s Order Soliciting Reports on Proposed Comment Form, issued on August 7, 2009. On that same date, the Commission’s staff (“Staff”) filed a Recommendation Regarding Proposed Notice (“Staff’s Recommendation”), with draft

notices attached as appendices A and B.¹ Empire filed a response to Staff's recommendations on August 11, 2009. Also on that date, Staff filed a Report Regarding Customer Comment Card in response to our August 7, 2009, order.

The form's purpose is to convey public input on the rate increase. But the space for writing in comments is headed simply "Comments" and the form is pre-addressed to the Commission. Staff reports that the 3,199 forms mailed to the Commission in a similar case (file no. GR-2009-0355) include matters irrelevant to the form's purpose. Such matters include bill payments, instructions to OPC, blank forms, and sensitive personally identifiable information. Staff reports that such matters constitute a burden beyond its capacity to handle reasonably.

To reduce the amount of matter not related to this action, and to prevent the filing of sensitive personally identifiable information, Staff offers several suggestions, including:

- using an insert in lieu of the form,
- using the form with a disclaimer that all comments will become public,
- excluding some or all of the forms from EFIS or EFIS's generally accessible entries, and
- directing all comments to OPC.

Empire expresses no preference. It notes that Staff's Recommendation appendices A and B to are drafted for its North and South systems and Northwest system respectively, and asks that the Commission order similar notices for each system. It also asks for a ruling by August 24, 2009, for timely printing. OPC has not addressed Staff's Recommendation.

The Commission will grant Staff's and Empire's requests.

¹ Staff's Recommendation, and the Commission's Order Soliciting Reports on Proposed Comment Form,

The Commission desires public input on the rate increase, protection of commenters' privacy, appropriate use of Commission and customer time, and protection of personally identifiable information. Those interests, as file no. GR-2009-0355 shows, find only partial fulfillment through the form. The Commission concludes that an insert as set forth in appendix A to Staff's Recommendation ("insert") will better serve those interests. Therefore, the Commission will not approve the proposed notice, and will order notice in all Empire's systems by insert.

2. Disputed Clause

The insert does not include the disputed clause, and OPC has made no comment on the insert. But the insert applies only to the North and South systems. The Northwest system also requires notice, and Empire has asked for an order directing consistent notices for all its systems. Therefore, the Commission will address the disputed clause for purposes of the Northwest system notice.

The disputed clause (in bold print) is as follows:

The Empire District Gas Company (EDG) filed a natural gas rate case with the Missouri Public Service Commission seeking to increase revenues (to cover non-gas costs) by approximately \$2.9 million a year. The impact of the rate change varies by customer class, **but the overall result is an increase in total revenue of 4.9%**. This case does not involve the gas cost portion of your monthly bill. Non-gas costs are general operating and maintenance costs typically representing 25% to 30% of a customer's total monthly natural gas bill. The Commission has suspended the proposed rates and any rate change authorized by the Commission will not likely take effect until 2010.

The disputed clause is in the proposed notice, which Empire filed on July 30, 2009. On that same day, Office of Public Counsel ("OPC") filed its Response to Proposed Notice, which

crossed in transmission.

OPC amended on July 31, 2009. On August 3, 2009, Empire filed a reply, and OPC filed a surreply on that same day.

Empire argues for inclusion of the disputed clause because such information is accurate, required in the rate increase application, and included in the Commission's press release. OPC argues for exclusion of the disputed clause because it may mislead consumers to believe that each consumer's bill will increase by 4.9%, when such increase may be more than 4.9%. The Commission agrees with OPC.

The subject matter of this action is Empire's application for a rate increase, and the notice's purpose is to show the rate increase's effect on consumers. No effect on consumers accurately appears in the statement "the overall result is an increase in total revenue of 4.9%." Further, omitting an explanation—that such statement really applies to Empire alone—renders such statement misleading.

OPC asks the Commission to substitute the disputed clause with a description of "the percentage increase for distribution or margin revenues" or simply exclude the disputed clause. The former remedy would require Empire to determine how technical a description of the ratemaking process is appropriate for its customers, which would further delay the notice. Also, the insert already includes an average increase or decrease for residential customers. Therefore, the Commission will order the exclusion of the disputed clause from the notice.

THE COMMISSION ORDERS THAT:

1. The Empire District Gas Company's customer notice shall:

- a. Be in the insert format set forth in appendix A to Staff's Recommendation Regarding Proposed Notice.
 - b. Be in the same format for the Northwest system and the North and South systems. The customer notice for each system shall use information applicable to such system.
 - c. Not include the following words:

, but the overall result is an increase in total revenue
of 4.9%
2. This order shall become effective upon issuance.

(S E A L)

BY THE COMMISSION



Steven C. Reed
Secretary

Clayton, Chm., Davis, Jarrett,
and Gunn, CC., concur.

Jordan, Regulatory Law Judge