

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. EE-2012-0352, Tariff Nos. JE-2012-0603 (electric)  
JG-2012-0604 (gas)  
JW-2012-0605 (water)  
The Empire District Electric Company (electric and water)  
The Empire District Gas Company

FROM: Tom Imhoff, Rate & Tariff Examination Supervisor - Energy Unit  
Jim Merciel – Water and Sewer Unit  
Mack McDuffey, Rate & Tariff Examiner II - Energy Unit

/s/Lena M. Mantle 05/02/12  
Energy Unit / Date

/s/ Jim Busch 05/02/12                      /s/ Sarah Kliethermes 05/02/12  
Water and Sewer Unit / Date                      Staff Counsel's Office / Date

SUBJECT: Staff Recommendation for Approval of Variances Allowing Electronic Billing for  
Electric, Gas and Water Service by The Empire District Electric Company and the  
Empire District Gas Company

DATE: May 2, 2012

### Procedural Overview

On April 17, 2012, The Empire District Electric Company and The Empire District Gas Company (together referred to herein as “Empire”) filed with the Commission five (5) tariff sheets with proposed effective dates of May 17, 2012, to allow its utility customers the option to choose electronic billing. On April 17, 2012, Empire filed its Application For Variances (Application) seeking variances from Commission Rules 4 CSR 240-13.015(1)(B) and (T). On April 18, 2012, the Commission issued its *Order Directing Filing*, prescribing May 2, 2012, as the date by which Staff shall file a recommendation. Empire submitted certain substitute tariff sheets on April 19, 2012, and on April 24, 2012, at the request of Staff, to correct typographical errors on the water tariff sheets.

### Background

Empire’s current tariffs require it to normally “render a bill” for each billing period. At present, the Commission’s Chapter 13 Service and Billing Practices for Residential Customers of Electric, Gas and Water Utilities does not address electronic utility bill format nor rendition thereof. Definitions for a bill and the rendition thereof in 4 CSR 240-13.015(1) follow:

(B) Bill means a written demand for payment for service and the taxes and franchise fees related to it.

(T) Rendition of a bill means the mailing or hand delivery of a bill by a utility to a customer.

Commission Rule 4 CSR 240-13.020(1) requires the following:

A utility shall normally render a bill for each billing period to every residential customer in accordance with its tariff.

Empire proposes to add the following definition to its various tariffs:

Electronic Bill (ebill):

A bill delivered to an electronic address selected by the customer that can be viewed on a computer screen.

Additionally, Empire proposes to amend one existing definition as follows:

Rendition of Bill:

The date of physical mailing, electronic delivery, or hand delivery of the bill by the Company to a customer. (underline added to new text)

Commission Rule 4 CSR 240-13.065(3) requires that any variance granted from the provisions of Chapter 13 be reflected in the utility's tariff. The proposed tariff sheets filed by Empire for its various tariffs would reflect the requested variances from 4 CSR 240-13.015(1)(B) and (T).

The Commission's Staff ("Staff") has reviewed Empire's Application and the separately filed proposed revisions to its various tariffs. Staff finds that, under the conditions the Company has proposed in its Application, electronic bills would be of benefit to some of its customers without adversely affecting those customers who choose not to participate in that option. Staff also finds that there is good cause justification for granting the requested variances because it is expected that an electronic billing option will increase customer convenience in paying bills, and any customer's option to choose electronic billing is voluntary, so no customer will be impacted negatively. This recommendation does not consider any change in costs of administering electronic billing, for which Empire may request recovery in a future rate proceeding.

The Commission has granted similar variances to several regulated energy utilities. These specifically include: Union Electric Company d/b/a Ameren Missouri in Case No. EE-2000-561 (electric and gas); Kansas City Power & Light Company in Case No. EE-2003-0529; KCP&L Greater Missouri Operations Company in Case No. EE-2008-0029, Laclede Gas Company in Case No. GE-2002-1159 and Missouri Gas Energy in Case No. GE-2008-0352.

Staff recommends that the Commission issue an order that (1) grants to Empire the requested variances from Commission Rules 4 CSR 240-13.015(1)(B) and (T), and (2) approves the

following proposed tariff sheets, as filed on April 17, 2012, and as substituted on April 19, 2012, and on April 24, 2012, to go into effect for service on and after May 17, 2012, the requested effective date:

Electric	<u>P.S.C. Mo. No. 5, Section 5</u> 7 <sup>th</sup> Revised Sheet No. 2 Canceling 6 <sup>th</sup> Revised Sheet No. 2
Gas	<u>P.S.C. MO. No. 2</u> 1 <sup>st</sup> Revised Sheet No. R-3 Canceling Original Sheet No. R-3 1 <sup>st</sup> Revised Sheet No. R-4 Canceling Original Sheet No. R-4
Water	<u>P.S.C. Mo. No. 4, Section 2</u> 1 <sup>st</sup> Revised Sheet No. 2 Cancelling Original Sheet No. 2 1 <sup>st</sup> Revised Sheet No. 3 Cancelling Original Sheet No. 3 (substituted)

Empire has filed its annual reports through calendar year 2010. Empire requested and received an automatic 30-day extension until May 15, 2012 to file its 2011 annual reports for electric, gas and water. Empire is current on payments of annual assessments through the fiscal year 2012. Empire has no other matters before the Commission that affects or is affected by this filing.

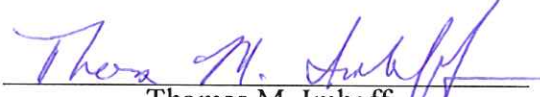
**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Application for	)	
Variances by The Empire District	)	File No. EE-2012-0352
Electric Company and The Empire	)	Tariff File Nos. JE-2012-0603
District Gas Company to Allow for	)	JG-2012-0604
Electronic Billing for Water, Electric,	)	JW-2012-0605
and Gas Services	)	

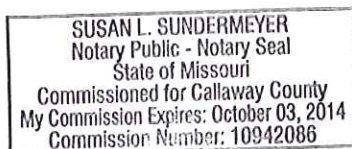
**AFFIDAVIT OF THOMAS M. IMHOFF**

STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF COLE     )

Thomas M. Imhoff, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
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Thomas M. Imhoff

Subscribed and sworn to before me this 2nd day of May, 2012.



  
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Notary Public

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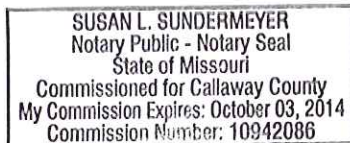
**AFFIDAVIT OF WILLIAM L. McDUFFEY**

STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE        )

William L. McDuffey, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
William L. McDuffey

Subscribed and sworn to before me this 2<sup>nd</sup> day of May, 2012.



  
Notary Public

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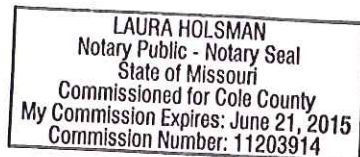
**AFFIDAVIT OF JAMES A. MERCIEL, JR.**


STATE OF MISSOURI     )  
                                  ) ss  
COUNTY OF COLE     )

James A. Merciel, Jr., of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.

  
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James A. Merciel, Jr.

Subscribed and sworn to before me this 2nd day of May, 2012.



  
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Notary Public