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May 6, 2002

Mr. Dale H. Roberts  
Secretary/Chief Regulatory Law Judge  
Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: The Empire District Electric Company  
Tariff No. 20020088**

Dear Mr. Roberts:

Enclosed for filing in the above-referenced case please find the original and eight copies of **MOTION TO REJECT TARIFF**. Please "file" stamp the extra-enclosed copy and return it to this office.

Thank you for your attention to this matter.

Sincerely,

  
John B. Coffman  
Acting Public Counsel

JBC:jb

cc: Counsel of Record

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

In the Matter of Empire District Electric Company's	)	
proposed changes to extension rules and charges	)	Case No. _____
to new customers.	)	Tariff No. 200200888

**MOTION TO REJECT TARIFF**

COMES NOW the Office of the Public Counsel (Public Counsel) pursuant to Commission Rule 4 CSR 240-2.065(3) and for its Motion to Reject Tariff states as follows:

1. On April 17, 2002, Empire District Electric Company (Company) filed proposed revised tariff sheets as follows:

PSC Mo. No. 5, Section 5, 6<sup>th</sup> Revised Sheet No. 12, canceling 6<sup>th</sup> Revised Sheet No. 12  
PSC Mo. No. 5, Section 5, 5<sup>th</sup> Revised Sheet No. 13, canceling 4<sup>th</sup> Revised Sheet No. 13  
PSC Mo. No. 5, Section 5, 4<sup>th</sup> Revised Sheet No. 14, canceling 3<sup>rd</sup> Revised Sheet No. 14  
PSC Mo. No. 5, Section 5, 4<sup>th</sup> Revised Sheet No. 15, canceling 3<sup>rd</sup> Revised Sheet No. 15  
PSC Mo. No. 5, Section 5, 4<sup>th</sup> Revised Sheet No. 16, canceling 3<sup>rd</sup> Revised Sheet No. 16  
PSC Mo. No. 5, Section 5, 4<sup>th</sup> Revised Sheet No. 17, canceling 3<sup>rd</sup> Revised Sheet No. 17

On May 2, 2002, Company filed a revised substitute for P.S.C. Mo. No. 5, 4<sup>th</sup> Revised Sheet No. 16, Canceling 3<sup>rd</sup> Revised Sheet No. 16. The April 17 proposed tariffs are attached as Attachment 1. The May 2 substitute tariff sheet is attached as Attachment 2.

The proposed revisions would make dramatic changes to Company's current extension rule, requiring new consumers that need an extension to pay several new charges. Changes to the current tariffs include, but are not limited to:

A) a reduction in the line extension that would be provided to new customers at Company's expense from 1000 feet down to 225 feet;

B) requires several new expenses to be paid by customers requiring an extension for service;

C) requires prepayment of all estimated costs, eliminating the current allowance of payment of such cost over a 60 month period; and

D) change the formula for refunding construction allowances for additional customers hooking onto an extension.

E) The proposed extension rule would also eliminate the current requirement that Company would conduct a cost benefit analysis for undergrounding as well as eliminate the requirement that the customer pay only the incremental difference between undergrounding costs which exceed overhead costs.

2. The changes proposed by Company would certainly increase the amounts charged to new customers requiring an extension for electric service. Furthermore, if the Commission approves this tariff, the increased charges would be approved in violation of the prohibition against single-issue rate making. State ex rel. Utility Consumer Counsel of Missouri v. PSC, 585 SW2d 41(Mo. banc 1979). It is difficult to determine at this time what the ultimate impact these changes would have on Company's revenue, its customers contributions, and its expenses, but if this tariff is approved outside of a general rate case, the rate changes would be made without the benefit of the consideration of all relevant factors. Changes of this significance should only be examined in the context of a general rate case.

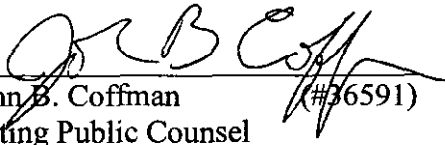
3. On April 3, 2001, the Commission rejected tariffs proposed by UtiliCorp United, Inc. to change various rates and charges outside the context of a general rate case. Order Rejecting Tariff, Case No. ET-2001-485. The Commission should reject Company's proposed tariffs in this matter for the same reason -- the tariffs constitute single issue ratemaking.

4. Company has a general rate case currently pending, Case No. ER-2002-424, in which it could have raised these proposed revisions to its extension rule and related charges. Public Counsel would not object to allowing Company the opportunity to file supplemental direct testimony proposing these changes in this ongoing rate case.

WHEREFORE, Public Counsel respectfully requests that the Commission reject the proposed tariff sheets.

Respectfully submitted,

OFFICE OF THE Public Counsel

By:   
John B. Coffman (#36591)  
Acting Public Counsel  
P. O. Box 7800  
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(573) 751-5560  
(573) 751-5562 FAX

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 6<sup>th</sup> day of January 2002:

**General Counsel**  
Missouri Public Service Commission  
PO Box 360  
Jefferson City MO 65102

**James C Swearengen**  
Brydon Swearengen & England  
312 East Capitol Avenue  
PO Box 456  
Jefferson City MO 65102



For ALL TERRITORYNo supplement to this rate schedule will be issued except  
for the purpose of cancelling this rate schedule.RULES AND  
REGULATIONS

## CHAPTER III

## SERVICE SPECIFICATIONS

## A. GENERAL

## 1. Condition of Customer's Facilities:

The Company shall have the right to refuse service to, or disconnect service from, any installation which violates local, municipal, NEC, or NESC regulations or that is deemed by the Company to be detrimental or hazardous to the public, service to other customers, or Company's facilities.

## 2. Equipment Installed by the Company:

For residential and small commercial customers the Company will furnish, in some cases for a fee and included in cost estimates in section (B) Electric Distribution Policy as described below, and install the Company's service drop or lateral and the meter. All other equipment will be furnished by customer and installed by customer's wireman according to Company specifications that are available at any Company office.

For large commercial or industrial installations the Company will furnish meter bases, and in some cases metering equipment enclosures, for a fee, but will not install the meter base or any other equipment unless it is to be mounted on Company equipment. Specifications and division of responsibility with respect to installation of electrical service and the service entrance equipment are available to the customer and/or the customer's representative upon request at any Company office.

For rural single family permanent residential customers with at least five (5) acres of property requiring service to multiple points, such as a well, barns and other outbuildings, the company will furnish and install a central service pole and run a service drop to it from the Company's distribution lines or transformer installations. The cost of the central service pole and service drop will be included in the cost estimates described in section (B) Electric Distribution Policy as described below. The various feed wires, however, from the central service pole to the customer's house, well, barn, and other outbuildings are the customer's property and are to be furnished and installed by the customer. The customer shall so arrange his wiring that the meter socket and service disconnect is located on the central service pole.

## 3. Customers will provide, without cost to the Company, right-of-way on their property free and clear of obstructions, including tree trimming and removal of trees and stumps as required by the Company. Grade will be within six (6) inches of final grade prior to installation of Company facilities.

## 4. Relocation of Company facilities will be at the customer's expense. For new construction or additional load from an existing customer, the cost of facility relocation may be included in extension costs or facility upgrade costs. Contributions from the customer may be reduced under the revenue or construction allowance guidelines of the applicable subsection of section (B) Electric Distribution Policy as described below.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION  
THE EMPIRE DISTRICT ELECTRIC COMPANY

P.S.C. Mo. No. 5

Sec. 5 5th Revised Sheet No. 13  
Cancelling P.S.C. Mo. No. 5

For ALL TERRITORY

No supplement to this rate schedule will be issued except  
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Sec. 5 4rd Revised Sheet No. 13  
Which was issued 7-14-98

**RULES AND  
REGULATIONS**

**B. ELECTRIC DISTRIBUTION POLICY**

**1. Overhead or Underground Permanent Installation:**

- a) Electric Distribution Extension to a Permanent Single Family Residential Customer:  
The company will provide as a Construction Allowance, at no charge, the following:

225 foot of overhead single phase primary  
1-40 foot wood pole and necessary fixtures for conductor listed above  
One down guy and anchor for conductor and pole listed above  
1-15kva transformer, transformer ground rod, and connectors  
100 foot of overhead service conductor and connectors  
1-200 amp meter

For extensions or services requiring items in addition to or different from those listed above in the Construction Allowance, Company personnel will calculate a detailed cost estimate. The customer will pay, prior to the installation of company facilities, the estimated amount, including overheads, minus the value of the Construction Allowance items required to complete the service or extension. The customer may choose to offset some of the contribution amount by providing certain work such as trenching, back-filling, and providing conduit. The value, as estimated by the company, of the work the customer contributes may be refundable under the guidelines described below. For each new permanent customer added to the original primary extension during sixty (60) months following the completion of the extension, the Company will pay the original customer an amount equal to the value of the Construction Allowance items listed above. The construction allowance value will be calculated the year each new permanent customer is added, not to exceed the original amount of contribution from the customer.

If beneficial to the customer the Company will use the following formula to calculate the value of the Construction Allowance:

$$CA = \frac{\text{ESTIMATED MARGIN}}{\text{FIXED CARRYING COSTS}}$$

A copy of the company's estimate of the cost of construction, including direct and indirect costs, shall be furnished to the customer prior to construction.

When construction is completed if the actual costs are less than the estimated costs, the customer contribution will be adjusted to reflect the lower amount. If actual costs are higher than the estimate the customer will not be required to pay more than the original estimate.

The Company will not be required to obligate funds to secure private right-of-way for the purpose of making extension of distribution pole lines or other facilities to premises of prospective customers.

DATE OF ISSUE April 17, 2002  
ISSUED BY David W. Gibson, Vice President, Joplin, MO

DATE EFFECTIVE May 17, 2002

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<p style="text-align: center;">RULES AND REGULATIONS</p>
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## b) Electric Distribution Extensions to Subdivisions, Mobile Home Parks, and other Residential Facilities:

Company personnel will complete a detailed cost estimate including; services, transformers, and direct and indirect costs to provide service to the project. The customer will make full payment of these estimated charges in advance of any construction by the Company. The customer may choose to offset some of the contribution amount by providing certain work such as trenching, back-filling, and providing conduit. The value, as estimated by the company, of the work the customer contributes may be refundable under the guidelines described below. For each new permanent customer added during sixty (60) months following the completion of the original extension, the company will refund the customer an amount equal to the Construction Allowance. The Construction Allowance value will be calculated the year each new permanent customer is added, not to exceed the original amount of contribution from the customer. If there is a question about the permanent nature of the residential customer, minimum monthly or annual guarantees in term contracts may be required.

A copy of the company's estimate of the cost of construction, including direct and indirect costs, shall be furnished to the customer prior to construction.

When construction is completed if the actual costs are less than the estimated costs, the portion of the customer contribution above the actual costs will be refunded to the customer. If actual costs are higher then the estimated costs the customer will not be required to pay more than the estimate.

The Company will not be required to obligate funds to secure private right-of-way for the purpose of making extension of distribution pole lines or other facilities to premises of prospective customers.

## c) Meters for Residential Purposes and Qualifying for Residential Rates:

This section pertains to meters for detached garages, barns, shop buildings, wells, and other applications used for residential purposes but not as a permanent dwelling. The Company will complete a detailed cost estimate, including direct and indirect costs, to provide service to the project. Estimated revenue for a one-year period, beginning with the installation of the permanent meter, will be deducted from the estimated construction cost. The customer will be responsible for full payment of these charges in advance of any construction by the Company. The customer may choose to offset some of the contribution amount by providing certain work such as trenching, back-filling, and providing conduit. Minimum monthly or annual guarantees in term contracts to guarantee revenue performance may be required.

A copy of the Company's estimate of the cost of construction, including direct and indirect costs, shall be furnished to the customer prior to construction.

When construction is completed if the actual costs are less than the estimated costs, the customer contribution will be adjusted to reflect the lower amount. If actual costs are higher then the estimated costs the customer will not be required to pay more than the estimate

THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 5 4th Revised Sheet No. 15  
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Which was issued 7-14-98

<p style="text-align: center;">RULES AND REGULATIONS</p>
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The Company will not be required to obligate funds to secure private right-of-way for the purpose of making extension of distribution pole lines or other facilities to premises of prospective customers.

## d) Electric Distribution Extensions to Commercial and Industrial Facilities:

The Company will complete a detailed cost estimate, including direct and indirect costs, to provide service to the project. Estimated revenue for a one-year period, beginning with the installation of the permanent meter, will be deducted from the estimated construction cost. The customer will be responsible for full payment of these charges in advance of any construction by the Company. The customer may choose to offset some of the contribution amount by providing certain work such as trenching, back-filling, and providing conduit. Minimum monthly or annual guarantees in term contracts to guarantee revenue performance may be required.

A copy of the company's estimate of the cost of construction, including direct and indirect costs, shall be furnished to the customer prior to construction.

When construction is completed if the actual costs are less than the estimated costs, the customer contribution will be adjusted to reflect the lower amount. If actual costs are higher than the estimated costs the customer will not be required to pay more than the estimate.

The Company will not be required to obligate funds to secure private right-of-way for the purpose of making extension of distribution pole lines or other facilities to premises of prospective customers.

## 2. Temporary Distribution and Service Lines:

The Company shall not be required to provide service to temporary locations, such as for mobile homes, construction sites, fireworks stands, etc., even though the line facilities are already in place, unless such customer advances the sum stated in Schedule CA, Credit Action Fees, as a construction payment for the cost of installation and removal of the meter, service, and other necessary facilities. The facilities installed under such an arrangement shall remain the property of the Company. Should the customer utilize electric service at this location for a period of twelve consecutive months from the date of initial service, the above payment, plus interest as designated by State Law or Commission order, will be refunded to the customer by the Company.

The Company shall not be required to provide electric service to temporary customers at locations that require the extension of the Company's lines unless the full cost of erection and removal, including indirect costs of construction, of the extension be contributed by the customer.

Attachment A  
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## THE EMPIRE DISTRICT ELECTRIC COMPANY

Sec. 5 4th Revised Sheet No. 16  
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REGULATIONS

## 3. Unregulated Competition:

Where the Company competes for business with unregulated competition, the Company may waive all or part of any charges associated with extensions of service and/or construction deposits, provided for in the Empire Distribution Policy, Chapter III, Section (B), Empire District Electric Company Rules and Regulations, and any additional non-rate schedule charges, required in order to effectively compete with offers made to developers and/or customers by unregulated competition after notifying the Missouri Public Service Commission and receiving an Order granting the waiver for good cause shown.

Attachment A  
Page 5DATE OF ISSUE April 17, 2002  
ISSUED BY David W. Gibson, Vice President, Joplin, MODATE EFFECTIVE May 17, 2002

THE EMPIRE DISTRICT ELECTRIC COMPANY

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Attachment A  
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## THE EMPIRE DISTRICT ELECTRIC COMPANY

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## C. METERING

## 1. Meters:

Meters necessary to measure the power and energy purchased and delivered hereunder will be installed, owned and maintained by the Company at its expense. Periodic tests of the accuracy of the metering equipment will be made by the Company according to approved modern practice. No adjustment in charges for service hereunder will be made unless an average error of more than two (2) percent, plus or minus, in the accuracy of such metering is found. Should an error in excess of an average of 2% be found, proper adjustment for the full amount of such error will be made as stated in Chapter V, Section B.1. The Company shall have such meters promptly corrected. Upon the request of the customer, a representative of the customer may witness such periodic tests. The customer will have the right to request that a special meter test be made at any time. If the test made at the customer's request discloses that the meter tested is registering correctly or with an average error of not more than 2% and the meter has been tested in the last 12 months, the customer will bear the expense of such test. The expense of all other tests will be borne by the Company.

The readings of the Company's meter measuring service to customer (subject to determination of accuracy of the meter, as provided above) will be taken as prima facie evidence of the customer's use of service.

Attachment B