

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

In the Matter of the Application of)
The Empire District Electric Company for) File No. EO-2018-0092
Approval of Its Customer Savings Plan.)

**EMPIRE RESPONSE TO JOINT MOTION
REQUESTING LOCAL PUBLIC HEARING**

COMES NOW The Empire District Electric Company ("Empire" or "Company"), and, in response to the *Joint Motion Requesting Local Public Hearing* (Joint Motion) filed on December 29, 2017, states as follows to the Missouri Public Service Commission:

1. The Joint Motion filed by the Office of the Public Counsel (OPC) and the City of Joplin (Joplin) requests that a formal local public hearing be conducted in Joplin concerning the Customer Savings Plan proposed by Empire in this case on January 16-19, February 2, 8, 9, or 13-16. The Joint Motion further requests Empire include any notice of the local public hearing “as a bill insert, if feasible.”

PUBLIC INPUT

2. The Commission has not traditionally conducted formal local public hearings concerning the selection of generation resources. For example, no local hearings were conducted when the Commission considered the Regulatory Plan associated with Empire’s participation in Iatan 2 (Case No. EO-2005-0263). No local hearings are conducted in regard to Empire’s integrated resource plan filings. The existence of such cases is publicized and participation in the cases invited, and rarely refused, by the Commission.

3. Here, Empire has conducted numerous media interviews and previously provided a Community Leader breakfast on November 1, 2017, for Joplin Regional leaders (included

business and community leaders from Webb City, Neosho, Carl Junction and surrounding counties). Attached as **Appendix A** is a copy of a press release/presentation utilized at the November 1, 2017 meeting in Joplin.

4. Empire personnel have met with representatives of many industrial customers and governmental entities (Jasper County, Carl Junction, City of Jasper, Dade County, Barton County, Lawrence County, Webb City, and City of Asbury). Presentations to community groups are planned and on-going, including a Rotary lunch in Neosho, MO on November 29, 2017; and, a Kiwanis lunch in Neosho, MO on January 5, 2018. Moreover, Empire has created a special section on its public website to provide additional information and resources for interested persons (<https://empiredistrict.com/Wind>).

5. The Commission has also issued its own notice. (*Order Directing Notice of Application, Establishing intervention Filing Date, and Scheduling a Procedural Conference*, November 1, 2017) The Commission's Order resulted in Notice being sent to participants in Empire's last integrated resource planning case (File No. EO-2016-0223), to the county commission and members of the General Assembly from each county served by Empire, and to the new media serving that service territory. The result has been a number of interveners in this case representing a variety of interests. Given this background, a formal local public hearing does not seem necessary.

6. However, Empire does not object to, and in fact welcomes, further interaction with its customers in a forum that would provide additional information, answers, and opportunity to gather the thoughts of such customers.

7. Accordingly, Empire would like to offer an “Open House” alternative to the traditional Local Public Hearing format for the Commission’s consideration to consist of the following:

- Come and go format to provide flexibility for customers;
- Multiple information stations (to include stations for Staff, OPC, and Joplin, if desired) to provide opportunity for one on one questions and discussions;
- Station with opportunity for written comment or online comment directly to PSC and/or OPC website; and,
- Customer service station to assist with any billing questions and provide Average Payment Plan registration.

8. The Open House format would provide a good forum for answering customer questions. In that format, Empire would consent that all comments submitted in writing at the Open House be provided for submission to the Commission.

FORM AND METHOD OF DELIVERY

9. If the Commission should order a traditional local public hearing, Empire has concerns with both the form of the notice and the method of delivery proposed in the Joint Motion.

FORM

10. First, the proposed Notice contains the following sentence:

Empire estimates the plan will result in up to \$325 million of savings on its Missouri customers’ overall bills over twenty years, *by increasing its customers’ bills during 2020 and 2021, but lowering them afterward.*

(emphasis added)

11. While the estimated savings attributed to Empire is accurate, it is not accurate to suggest or imply that a rate increase in 2020 and 2021 (“increasing its customers’ bills during 2020 and 2021”) should be assumed, or that Empire has even proposed such a rate increase in this case. In fact, Empire’s testimony describes the possibility of a levelization of the identified savings over the time period in question:

. . . one potential impact to consider is how the savings are captured on a yearly basis over the twenty or thirty year period contemplated by the Customer Savings Plan. Once the final Wind Projects are selected through the Request for Proposal process, the Company will re-calculate the savings on a year-by-year basis and determine if any levelization of the savings is necessary to ensure no net detriment to customers.

(Krygier Dir., p. 12)

12. Accordingly, if such notice is to be given, Empire suggests that the following introductory paragraph would more accurately state the situation for its customers:

JEFFERSON CITY---The Missouri Public Service Commission will hold a local public hearing in **Joplin** on [], **2018** in an electric case Empire filed seeking approval of a regulatory plan to that Empire estimates will result in up to \$325 million of cost savings on customer bills over twenty years. To achieve this plan Empire seeks approval to build 800 MW (nameplate) of wind generation in or near the Empire service territory at a cost of about \$1.5 billion using federal tax incentives in conjunction with tax equity partners to reduce the cost to \$700 million. As part of this plan, Empire proposes to retire is 218 MW (nameplate) coal-fired Asbury generating plant located near Asbury and Joplin, Missouri by April of 2019 rather than current estimates of 2035. All customer rate change requests associated with this plan would be handled in subsequent filings as the Customer Savings Plan is implemented.

METHOD

13. Empire’s second issue is with the proposed method of delivery. As mentioned above, the Joint Motion requests Empire include any notice of the local public hearing “as a bill insert, if feasible.”

14. Because Empire utilizes cycle billing, some portion of its approximately 145,000 Missouri customers' bills go out each day of the month. In order to use a bill insert, and to provide notice at least ten days before a hearing, Empire would need to begin inserting notices in bills approximately 45 days before a local hearing. Additionally, Empire would need about three (3) days prior to the insertion to print notices and ready the insertion process.

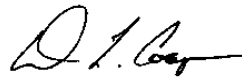
15. If individual customer notices are required and bill insertion is not possible (as it would not be utilizing the dates identified by the Joint Motion), individually mailed customer notices carry a cost of around \$0.75 each, or about \$108,750 for individual customer notice.

16. In the alternative to individual customer notice, Empire would suggest that in addition to any notice issued by the Commission, notices be published by Empire in local newspapers in its service territory once each week the two weeks prior to the local hearing or open house.

17. Because of the timing issues associated with notice, Empire would prefer the February dates identified by OPC/Joplin for either the Open House proposed by Empire or a local public hearing.

WHEREFORE, Empire requests that the Commission order it to conduct an open house and provide notice of such as described herein.

Respectfully submitted,



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ATTORNEYS FOR THE EMPIRE DISTRICT
ELECTRIC COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or by U.S. Mail, postage prepaid, on January 3, 2018, to the following:

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