

MISSOURI PUBLIC SERVICE COMMISSION

STAFF REPORT

REVENUE REQUIREMENT

APPENDIX 3

Other Staff Schedules

THE EMPIRE DISTRICT ELECTRIC COMPANY

CASE NO. ER-2016-0023

*Jefferson City, Missouri
March 2016*

The Empire District Electric Company
Case No. ER-2016-0023

Programs' Costs	2011	2012	2013	2014	2015
ENERGY STAR® New Homes Program	\$10,800	\$241,800	\$281,029	\$94,679	\$138,813
High Efficiency AC Rebate Program	\$131,750	\$159,100	\$205,953	\$199,081	\$176,250
Home Performance with ENERGY STAR® Program	\$78,400	\$62,000	\$22,992	\$25,566	\$30,013
Low-Income New Homes	\$0	\$0	\$1,372	\$0	\$0
Low-Income Weatherization	\$117,893	\$176,159	\$191,278	\$166,792	\$176,179
Building Operator Certification	\$0	\$22,675	\$0	\$0	\$0
Commercial & Industrial Rebate Program	\$377,400	\$416,029	\$507,794	\$584,492	\$937,425
GENERAL	\$0	\$0	\$0	\$51,945	\$149,003
Incremental All Programs' Costs	\$716,243	\$1,077,763	\$1,210,418	\$1,122,556	\$1,607,682
Programs' Costs Budgets	2011	2012	2013	2014	2015
ENERGY STAR® New Homes Program	\$260,800	\$260,800	\$260,800	\$338,800	\$338,800
High Efficiency AC Rebate Program	\$312,000	\$312,000	\$312,000	\$382,000	\$382,000
Home Performance with ENERGY STAR® Program	\$100,000	\$100,000	\$100,000	\$115,000	\$115,000
Low-Income New Homes	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
Low-Income Weatherization	\$201,300	\$201,300	\$201,300	\$307,544	\$225,000
Building Operator Certification	\$0	\$0	\$0	\$0	\$0
Commercial & Industrial Rebate Program	\$264,000	\$264,000	\$264,000	\$414,000	\$414,000
GENERAL	\$0	\$0	\$0	\$0	\$0
Incremental All Programs' Budgets	\$1,148,600	\$1,148,600	\$1,148,600	\$1,567,844	\$1,485,300
Programs' Costs vs. Budgets \$ Variance	2011	2012	2013	2014	2015
ENERGY STAR® New Homes Program	(\$250,000)	(\$19,000)	\$20,229	(\$244,121)	(\$199,988)
High Efficiency AC Rebate Program	(\$180,250)	(\$152,900)	(\$106,047)	(\$182,919)	(\$205,750)
Home Performance with ENERGY STAR® Program	(\$21,600)	(\$38,000)	(\$77,008)	(\$89,434)	(\$84,988)
Low-Income New Homes	(\$10,500)	(\$10,500)	(\$9,128)	(\$10,500)	(\$10,500)
Low-Income Weatherization	(\$83,407)	(\$25,141)	(\$10,022)	(\$140,753)	(\$48,821)
Building Operator Certification	\$0	\$22,675	\$0	\$0	\$0
Commercial & Industrial Rebate Program	\$113,400	\$152,029	\$243,794	\$170,492	\$523,425
GENERAL	\$0	\$0	\$0	\$51,945	\$149,003
Incremental Costs vs. Budgets \$ Variance	(\$432,357)	(\$70,837)	\$61,818	(\$445,288)	\$122,382
Programs' Costs vs. Budgets % Variance	2011	2012	2013	2014	2015
ENERGY STAR® New Homes Program	-96%	-7%	8%	-72%	-59%
High Efficiency AC Rebate Program	-58%	-49%	-34%	-48%	-54%
Home Performance with ENERGY STAR® Program	-22%	-38%	-77%	-78%	-74%
Low-Income New Homes	-100%	-100%	-87%	-100%	-100%
Low-Income Weatherization	-41%	-12%	-5%	-46%	-22%
Building Operator Certification	-	-	-	-	-
Commercial & Industrial Rebate Program	43%	58%	92%	41%	126%
GENERAL	-	-	-	-	-
Incremental Costs vs. Budgets % Variance	-38%	-6%	5%	-28%	8%

Combined Cycle Unit
In-Service Test Criteria

1. Major construction work and pre-operational tests have been successfully completed such that the combined cycle unit may be operated and successfully complete criteria items 2 through 7.
2. All contract performance guarantee testing will be successfully performed in accordance with the contracts for the combustion turbines, the steam turbine, and the heat recovery steam generators.
3. The combined cycle unit will demonstrate its ability to startup from turning gear operation to nominal capacity on natural gas fuel when prompted by the operator.
4. The combined cycle unit will demonstrate its ability to shut down from minimum load resulting in turning gear operation when prompted by the operator.
5. The combined cycle unit will demonstrate its ability to operate at minimum load for one (1) hour on natural gas fuel.
6. The combined cycle unit will demonstrate its ability to operate at or above 95% of nominal capacity for four (4) continuous hours on natural gas fuel. During this test the unit will demonstrate its ability to operate at or above 98% of its nominal capacity for one (1) hour.
7. The combined cycle unit must be able to operate at a capacity factor equal to or greater than its design capacity factor for a reasonable period of time. If the design capacity factor is not specified it will be assumed to be 0.60 unless the utility can offer evidence justifying a lower value.

Capacity factor = energy generated for a continuous period of 168 hours / (design full load X 168 hours)

8. Sufficient transmission facilities shall exist to carry the total design net electrical capacity of the combined cycle unit into transmission/distribution system.

The Empire District Electric Company
Staff Recommended Annual Depreciation Rates
Case No. ER-2016-0023

Account Number	Account Description	Remaining Life (years)	Recommended Net Salvage	Reccomended Depreciation Rate (%)
STEAM PRODUCTION PLANT				
Riverton				
311	Structures and Improvements	3	-10.00%	10.00%
312	Boiler Plant Equipment	3	-10.00%	10.00%
314	Turbogenerator Units	3	-10.00%	10.00%
315	Accessory Electric Equipment	3	-10.00%	10.00%
316	Miscellaneous Power Plant Equipment	3	-10.00%	10.00%
Asbury				
311	Structures and Improvements	20	-10.00%	4.29%
312	Boiler Plant Equipment	20	-10.00%	4.82%
314	Turbogenerator Units	20	-10.00%	4.89%
315	Accessory Electric Equipment	20	-10.00%	3.78%
316	Miscellaneous Power Plant Equipment	20	-10.00%	3.26%
Iatan 1				
311	Structures and Improvements	25	-10.00%	1.93%
312	Boiler Plant Equipment	25	-10.00%	2.78%
312	Unit Train	11	0.00%	6.67%
314	Turbogenerator Units	25	-10.00%	2.74%
315	Accessory Electric Equipment	25	-10.00%	2.81%
316	Miscellaneous Power Plant Equipment	25	-10.00%	2.80%
Iatan 2				
311	Structures and Improvements	55	-10.00%	1.53%
312	Boiler Plant Equipment	55	-10.00%	1.53%
314	Turbogenerator Units	55	-10.00%	1.53%
315	Accessory Electric Equipment	55	-10.00%	1.54%
316	Miscellaneous Power Plant Equipment	55	-10.00%	1.66%
Iatan Common				
311	Structures and Improvements	55	-10.00%	1.92%
312	Boiler Plant Equipment	55	-10.00%	1.80%
314	Turbogenerator Units	55	-10.00%	1.92%
315	Accessory Electric Equipment	55	-10.00%	1.92%
316	Miscellaneous Power Plant Equipment	55	-10.00%	1.89%
Plum Point				
311	Structures and Improvements	45	-10.00%	2.44%
312	Boiler Plant Equipment	45	-10.00%	2.26%
312	Unit Train	10	0.00%	6.67%
314	Turbogenerator Units	45	-10.00%	2.26%
315	Accessory Electric Equipment	45	-10.00%	2.20%
316	Miscellaneous Power Plant Equipment	45	-10.00%	2.15%
HYDRAULIC PRODUCTION PLANT				
331	Structures and Improvements	38	-10.00%	1.80%
332	Reservoirs, Dams and Waterways	38	-10.00%	1.82%
333	Waterwheels, Turbines and Generators	38	-10.00%	2.45%
334	Accessory Electric Equipment	38	-10.00%	2.38%
335	Miscellaneous Power Plant Equipment	38	-10.00%	1.72%

The Empire District Electric Company
Staff Recommended Annual Depreciation Rates
Case No. ER-2016-0023

Account Number	Account Description	Remaining Life (years)	Recommended Net Salvage	Recommended Remaining Life Depreciation Rate (%)
OTHER PRODUCTION PLANT				
Riverton 10 &11				
341	Structures and Improvements	18	-5.00%	4.52%
342	Fuel Holders, Producers and Access.	18	-5.00%	2.98%
343	Prime Movers	18	5.00%	2.54%
344	Generators	18	5.00%	2.43%
345	Accessory Electric Equipment	18	-5.00%	3.56%
346	Miscellaneous Power Plant Equipment	18	-5.00%	3.31%
Riverton 12				
341	Structures and Improvements	42	-5.00%	2.26%
342	Fuel Holders, Producers and Access.	42	-5.00%	2.11%
343	Prime Movers	42	5.00%	1.77%
344	Generators	42	5.00%	1.88%
345	Accessory Electric Equipment	42	-5.00%	2.19%
346	Miscellaneous Power Plant Equipment	42	-5.00%	1.95%
Energy Center 1&2				
341	Structures and Improvements	10	-5.00%	4.50%
342	Fuel Holders, Producers and Access.	10	-5.00%	4.50%
343	Prime Movers	10	5.00%	3.42%
344	Generators	10	5.00%	3.50%
345	Accessory Electric Equipment	10	-5.00%	5.47%
346	Miscellaneous Power Plant Equipment	10	-5.00%	4.50%
Energy Center 3&4 (FT8)				
341	Structures and Improvements	28	-5.00%	3.20%
342	Fuel Holders, Producers and Access.	28	-5.00%	2.87%
343	Prime Movers	28	5.00%	2.84%
344	Generators	28	5.00%	3.15%
345	Accessory Electric Equipment	28	-5.00%	2.99%
346	Miscellaneous Power Plant Equipment	28	-5.00%	2.78%
Stateline CT				
341	Structures and Improvements	25	-5.00%	1.80%
342	Fuel Holders, Producers and Access.	25	-5.00%	1.50%
343	Prime Movers	25	5.00%	1.84%
344	Generators	25	5.00%	1.30%
345	Accessory Electric Equipment	25	-5.00%	1.82%
346	Miscellaneous Power Plant Equipment	25	-5.00%	1.80%
Stateline CC				
341	Structures and Improvements	36	-5.00%	2.08%
342	Fuel Holders, Producers and Access.	36	-5.00%	2.08%
343	Prime Movers	36	5.00%	1.88%
344	Generators	36	5.00%	2.18%
345	Accessory Electric Equipment	36	-5.00%	2.01%
346	Miscellaneous Power Plant Equipment	36	-5.00%	2.43%

**The Empire District Electric Company
Staff Recommended Annual Depreciation Rates
Case No. ER-2016-0023**

Account Number	Account Description	Retirement Rate (%)	Recommended Net Salvage	Recommened Depreciation Rate (%)
TRANSMISSION PLANT				
352	Structures & Improvements	1.82%	-10.00%	2.00%
353	Station Equipment	1.67%	-10.00%	1.83%
354	Towers & Fixtures	1.54%	-10.00%	1.69%
355	Poles & Fixtures	1.67%	-100.00%	3.33%
356	Overhead Conductors	1.43%	-25.00%	1.79%
DISTRIBUTION PLANT				
361	Structures & Improvements	1.67%	-10.00%	1.83%
362	Station Equipment	2.00%	-10.00%	2.20%
364	Poles, Towers & Fixtures	1.82%	-100.00%	3.64%
365	Overhead Conductors	1.79%	-100.00%	3.57%
366	Underground Conduit	2.50%	-35.00%	3.38%
367	Underground Conductors	3.13%	-15.00%	3.59%
368	Transformers	2.22%	-10.00%	2.44%
369	Services	2.22%	-100.00%	4.44%
370	Meters	2.27%	0.00%	2.27%
371	Meter Installations	3.33%	-40.00%	4.67%
373	Street Lighting	2.22%	-50.00%	3.33%
GENERAL PLANT				
390	Structures & Improvements	2.38%	-10.00%	2.62%
391.1	Office Furniture and Equipment	4.17%	0.00%	4.17%
391.2	Computer Equipment	10.00%	0.00%	10.00%
392	Transportation Equipment	7.14%	10.00%	6.43%
393	Stores Equipment	2.86%	0.00%	2.86%
394	Tools, Shop & Garage Equipment	5.00%	0.00%	5.00%
395	Laboratory Equipment	2.38%	0.00%	2.38%
396	Power Operated Equipment	5.56%	5.00%	5.28%
397	Communication Equipment	4.55%	0.00%	4.55%
398	Miscellaneous Equipment	3.70%	0.00%	3.70%

The Empire District Electric Company

Public Comments ER-2016-0023

Number	Public Comment Number	Person	Date	Comments
1	P201600811	David Foster	9/22/2015	Against Rate Increase
2	P201600812	Gwen Groves	9/23/2015 7:58	I heard on KY3 news this morning that Empire Electric is requesting yet another rate increase. The anchor also said they just received one in July! How long will you continue to allow them to get rate increases? I live on a very tight budget and can't afford these constant rate changes anymore!
3	P201600849	James Haskins	10/7/2015 8:49	They have asked for more rate increases in the past 2 years than other electric companies. The last one is upsetting. It is to pay for new solar programs an they charge their customers for it. My wife and I oppose a rate increase.
4	P201600881	Jeff Cartright	10/19/2015 8:00	This letter is a complaint about Empire District Electric asking for another rate increase. I have watched my electric bill double in the last 10 years and it making it tough to survive for me and my family because of course my wages have not doubled.I have friends that work at Empire and the waste that goes on at that place is crazy and the people are tired of paying for the wastefulness.
5	P201600893	Jamie Gallaway	10/19/2015 10:50	I would like to ask that you not allow empire to have an rate increase. Every year they want an increase for this or that and they get it. Please no more for empire. They are blood sucking parasites. Jamie.
6	P201600897	Mallorie Perry	10/19/2015 11:00	Good afternoon, I have been informed of another price increase from my electric company. This is getting a bit out of control! It seems like every few months there is a price increase in the electric bill. Just last month Empire read our meter wrong, so they say, and charged us the extra amount on the current bill, I mean I get it, people make mistakes but come on, how could have they read the meter so wrong we ended up having to pay more than double what we regularly pay and we didn't even change anything. The weather was nice and we didn't even have to use the air conditioner. It's getting to a point where my husband and I are going to have to make a cut in our budget somewhere in order to make sure we can pay our bill. I know you all get a lot of complaints, I'm sure, but why another increase??? Is it even vital??
7	P201600960	Robert Womrath	10/21/2015 11:05	More rate increases might be necessary for you but for me and others I'm sure we all would oppose this. Especially when it was on the news this morning as our first notice. Notices for rate increases should be sent out with our electric bills so all would know. I feel like I'm in a vice and you just took one more turn.
8	P201600967	Amanda Modayil	10/22/2015 8:23	We own several rental properties in the Empire District. Our tenants frequently comment on the utility costs in the area. They simply cannot afford to live here Their jobs are seasonal, and the bills are at their highest when they are out of work. Please do not increase the rates. They will find it even harder to make ends meet.
9	P201600977	Justin Pittman	10/23/2015 14:34	I would like to speak out against the rate increase, I am a business owner and know the cost of doing business and have to deal with competition, and can not increase my rates just to create a better bottom line or I will be out of business very quickly, yet Empir yearly sometimes more often gets just that and other increases for padding their bottom line because the cost of doing business Mabe their shareholders should absorb this for a change and not the customers who have no other option than Empire the monopoly! They are allowed to pass on expense to the customer, unlike most business who have competition! I read almost every year that Empire has record profits, the shortly after there is a rate increase! Quit forcing citizens who have no option and limited income to have to foot the bill when there are many cost cutting changes Empire can make! Its getting out of hand! Thank you Justin Pittman , Joplin Mo
	P201600992	Justin Pittman	10/23/2015 14:34	Same as P201600977
10	P201600993	April Phillips	10/24/2015 9:01 PM	My family are very much opposed to a price increadse proposed by Empire Electric! Are rates are already too high. We used to live in the country where we had the Rural cooperative (in SE and SW Missouri) and it was much more reasonable. Ever since moving into the Empire Electric area, our bill has increased almost monthly. We have a much smaller house and the bill is higher! It's approximately 2000 sq ft and our bill is 220-280 a month for a family of 4. Ridiculous. Our lasrt house that was about 3400 sq ft and our bill ranged from \$120 - \$180 (Co-op). We are adamant about conserving energy, changed out our lights to energy efficient bulbs, and turn out lights/unplug things as much as possible. We cannot afford a price increase! April Phillips

The Empire District Electric Company

Public Comments ER-2016-0023

Number	Public Comment Number	Person	Date	Comments
11	P201601056	Laurie Whitlock	10/30/2015 13:26	Strongly against proposed rate increase because there have been so many recently. Retired 69 year old. Fixed income and this rate increase will adversely my resources.
12	P201601057	Laurie Whitlock	10/30/2015 13:33	(as) Consumer is opposed to the rate increase. She is retired and on a fixed income, and people in her situation cannot afford any other increases on monthly basis. Her retirement certainly does not increase each year.
13	P201601071	Nora Sharp	11/5/2015 8:51	(sc) Why would they ever advertise this. Why would anyone want their electricity to go up? My mother is on a fixed income and doesn't get a raise but the electric company apparently does. This is taking food off of the table. My daughter is a single mother putting herself through school and this is her gas money
14	P201601103	Rock Riddick	11/19/2015 5:12	In regard to Empire District Electric latest request for a rate increase, I would like to encourage the commission to reject it. It is way past time for Empire I reign in their own wasteful spending and corporate cost! I stand with Joplin in opposing their effort and I expect other municipalities in the area to follow shortly.
15	P201601145	Linda Kelly	1/13/2016 10:00	Please cap fixed fees and rate hikes for seniors in Missouri. Other states have done so . . .I'm urging legislation and consideration.
16	P201601494	Karen Brooks	2/10/2016	Dear Sirs: This is written in regard to an article in the Joplin Globe stating that Empire District Electric Company has filed a rate request that is about 7.3% increase.I know there are hearings set for April but it will not be possible for me to attend any of those meetings. So I sending my wishes by this email. I wish to protest such a huge rate increase and then adding insult is the proposed \$1.95 monthly per customer charge. This electric company is doing well, buying additional land next to their home office so now they own a whole city block. That is all well and good but they give little consideration to those of us that are on set incomes and everyone knows that all of us on Social Security has not received a raise for several years. Please consider all of us that feel this requested increase is much too large. Thank you! Karen J. Brooks, Carl Junction, MO 64834
17	P201601495	Karen Brooks	2/10/2016	Same as above
18	P201601496	Paula Litteken	2/10/2016	http://www.foxnews.com/politics/2016/02/09/supreme-court-puts-obamas-clean-power-plan-on-hold.html Please, please tell me that Empire's (Liberty's) neverending rate increases will be re-examined! Paula Litteken, 3708 Wind Cliff Lane, Joplin, MO
19	P201601503	Melody G Cundiff	2/10/2016	Dear Sirs: This is written in regard to an article in the Joplin Globe stating that Empire District Electric Company has filed a rate request that is about 7.3% increase.I know there are hearings set for April but it will not be possible for me to attend any of those meetings being a single mother who works a full-time job. So I sending my wishes by this email. I wish to protest such a huge rate increase and then adding insult is the proposed \$1.95 monthly per customer charge. This electric company is doing well, buying additional land next to their home office so now they own a whole city block. That is all well and good but they give little consideration to those of us that are trying to live on a single monthly income and raise a teenage daughter wiyhout any additional assistance from anyone. Please consider all of us that feel this requested increase is much too large and unnecessary. Thank you! Melody G Cundiff, Carl Junction. MO 64834
20	P201601512	Suzanne Comstock	2/11/2016	(sc) My bills are pretty big. My windows are huge and it gets pretty cold. I have been able to reduce bills during January from last year. I am on a fixed inconn with a part time job. Don't raise the rates in this area.
21	P201601615	Ric Roberts	3/8/2016	last thing we need in this economy is another rate hike. most of us are having a hard enough time making ends meet.
22	P201601595	Betsy Huhn	3/8/2016	(bh) Just because new company is buying it that don't give them the right to raise rates. Opposes rate increase.
23	P201601636	Galen Cartright	3/10/2016	I am against any raises on any utility, because my wife and I did not get a raise this year on our Social Security. We had our pensions cut. Please don't allo to happen.

The Empire District Electric Company

Public Comments ER-2016-0023

Number	Public Comment Number	Person	Date	Comments
24	P201601653	Donna Popplewell	3/13/2016	(HM) See Attached. Over the last six years the Cost-of-Living increase for Social Security recipients has averaged 1.42% per year. Over that same time period inflation has been 1.53%. With the proposed 7.3 percent increase requested by Empire District Electric those of us on Social Security are being hit really hard. My bank account continues to dwindle because I have more outgo than income. Please take this into consideration at any hearings. I took my information from the internet so it may not be completely accurate. Thank you for your consideration in this matter.
25	P201601659	Joyce Faulk	3/14/2016	(sc) I don't understand why Empire has to have an increase every year. Fuel prices are down. We don't have to have an increase. We do fairly well on our social security but a lot don't.
26	P201601661	Kenneth Riley	3/15/2016	Dear Sirs, I received a card in the mail from Empire Electric seeking a rate increase. When is this going to end. When we moved here, to Joplin, I thought about investing in Empire Elec. I am glad I didn't. I would have been earning money off the backs of the poor and needy and elderly. That is not right. So I didn't invest. Also, when rates started up my wife and we did our best to save on electricity. We hang our clothes out on a line, bought energy saving light bulbs, unplugged appliances. And our electric bill continues to go up. We put our thermostat set on 68 degrees, bought three Eden Pure heater so save money and they helped, but rates continue to go up. In the summer time we set our thermostat at 78 to help, and our rates continue to climb. I take blood thinner medicine and wear heavy clothes in the winter to keep warm. It would seem that Empire Elec. is more interested in making money than serving the people. I am OPPOSED to any rate increase. Please do not increase the rates. We are giving and doing our part, how about Empire share and help those below poverty. We receive approximately \$20,000 a year to live on. Everything is going up in prices except our monthly check. Kenneth Riley, Jesus is coming soon.
27	P201601662	Tamala Stevenson	3/15/2016	Please no more increases. We cannot afford the electric bills as high as they are. If the increases keep coming, we are going to have to move out of Empire Electric's area and drive in to work. Please do not increase the rates any more.
26	P201601665	Kenneth Riley	3/15/2016	Dear Sirs, I received a card in the mail from Empire Electric seeking a rate increase. When is this going to end. When we moved here, to Joplin, I thought about investing in Empire Elec. I am glad I didn't. I would have been earning money off the backs of the poor and needy and elderly. That is not right. So I didn't invest. Also, when rates started up my wife and we did our best to save on electricity. We hang our clothes out on a line, bought energy saving light bulbs, unplugged appliances. And our electric bill continues to go up. We put our thermostat set on 68 degrees, bought three Eden Pure heater so save money and they helped, but rates continue to go up. In the summer time we set our thermostat at 78 to help, and our rates continue to climb. I take blood thinner medicine and wear heavy clothes in the winter to keep warm. It would seem that Empire Elec. is more interested in making money than serving the people. I am OPPOSED to any rate increase. Please do not increase the rates. We are giving and doing our part, how about Empire share and help those below poverty. We receive approximately \$20,000 a year to live on. Everything is going up in prices except our monthly check. Kenneth Riley, Jesus is coming soon.
27	P201601666	Deborah Emerick	3/15/2016	Case No. ER-2016-0023. I totally oppose the proposed utility rate increase. How about a possible REDUCTION in rates since fuel costs are half what they were a year ago??? It is not fair to the elderly on fixed incomes or people working two jobs just to make a living.
28	P201601668	Sharon Anderson	3/15/2016	Case # ER-2016-0023 I opposed this rate increase
29	P201601669	Mary Talie	3/15/2016	We recently moved to Branson from Central Arkansas. Our winter electric rates were .055 cents per kilowatt hour. Summer rates were .075 cents per kilowatt hour. Currently Empire's rates are .125 cents per Kilowatt hour. They have one of the highest rates for electricity in the Central United States. I don't feel they should be granted another rate increase. I certainly haven't received a pay raise like what they are asking for.
30	P201601677	Don Whisenant	3/18/2016	I feel that the increase Empire is requesting is an extreme amount. I could understand how a small increase could be justified. Most people aren't getting a raise at their jobs, and if they do it might be 1%. This is just too much money for one increase.