

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

In the matter of The Empire District Gas )  
Company of Joplin, Missouri for )  
Authority to File Tariffs Increasing Rates )  
for Gas Service Provided to Customers in )  
the Missouri Service Area of the )  
Company. )

**Case No. GR-2009-0434**

**STATEMENT OF STAFF'S POSITIONS**

**COMES NOW** the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and states its positions regarding the issues listed in its December 29, 2009 filing as follows:

**Demand Side Management and Energy Efficiency**

- 1. At what level should Empire make funding available for DSM and Energy Efficiency programs?**

Position: At levels consistent with the non-unanimous Partial Stipulation and Agreement on DSM Funding and Implementation filed in this matter.

**Transportation Tariff**

- 1. Should the Commission approve the changes proposed by Empire District to its Transportation Service tariff, to-wit:**

**i.) Require small-volume transportation customers to install telemetry equipment, at their own cost, including existing small-volume transportation customers who have had this service since 2001 without telemetry being required.**

Position: Yes, with the exception of Schools, as exempted by Missouri Statute. It is preferable to assign costs for daily imbalances directly to costs causers, which is facilitated by telemetry equipment.

**ii.) Make small-volume balancing service available only to School Customers of transportation service and not to other existing small-volume transportation customers.**

Position: Yes, a balancing service method of cost recovery is less preferable than assigning costs for daily imbalances directly to costs causers, as is possible when telemetry equipment is available.

**iii.) Raise the charge for small-volume balancing service from \$0.0075 per Ccf to \$0.025 per Ccf.**

Position: Yes, although an absolute measure of costs caused by daily imbalances is impossible absent telemetry equipment, the proposed charge is more consistent with cost information reviewed by Staff than is the current charge.

**iv.) Add a new Daily Charge of \$1.25 per Mcf for transportation customers whose nominations of gas supplies and deliveries of gas are out-of-balance by more than 10% on a given day.**

Position: Yes, although an absolute measure of costs caused by daily imbalances is impossible absent telemetry equipment, the proposed charge is consistent with cost information reviewed by Staff. The Daily Charge should apply to all non-exempt transportation customers.

**a) If "no," should all transport customers be subject to a balancing fee?**

Position: Yes, although a balancing service method of cost recovery is less preferable than assigning costs for daily imbalances directly to costs causers, it is preferable to foregoing cost recovery.

**v.) Add language to its transportation tariff regarding Operational Flow Orders (OFOs), including giving EDG the right to issue an OFO in its "sole judgment."**

Position: Yes, although this language should be limited to give EDG the sole judgment to call an OFO only under reasonable circumstances. An OFO should be based on an operational or financial emergency situation. To justify calling an OFO, EDG must be able to demonstrate a situation or reason constituting a threat to EDG's ability to provide safe and adequate service at just and reasonable rates.

**2. If telemetry is required for all small-volume transportation customers, as proposed by EDG, balancing service should continue to be provided during the transition period, as proposed by Staff.**

Position: Yes, although a balancing service method of cost recovery is less preferable than assigning costs for daily imbalances directly to costs causers, it is preferable to foregoing cost recovery. As it will take some amount of time for telemetry equipment to be installed at new locations, the balancing service at the \$0.025 per Ccf rate will allow for some cost recovery.

**WHEREFORE**, the Staff submits its foregoing Statement of Position in response to the Commission's *Order Setting Procedural Schedule*.

Respectfully submitted,

/s/ Sarah Kliethermes

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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 31<sup>st</sup> day of December, 2009.

/s/ Sarah Kliethermes