

Exhibit No.:	
Issues:	Residential Rate Design
Witness:	Emily Piontek
Sponsoring Party:	Renew Missouri
Type of Schedule:	Surrebuttal Testimony
Case No.:	ER-2019-0374
Date Testimony Prepared:	March 27, 2020

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2019-0374

**SURREBUTTAL
TESTIMONY OF
EMILY PIONTEK**

**ON BEHALF OF
RENEW MISSOURI**

March 27, 2020

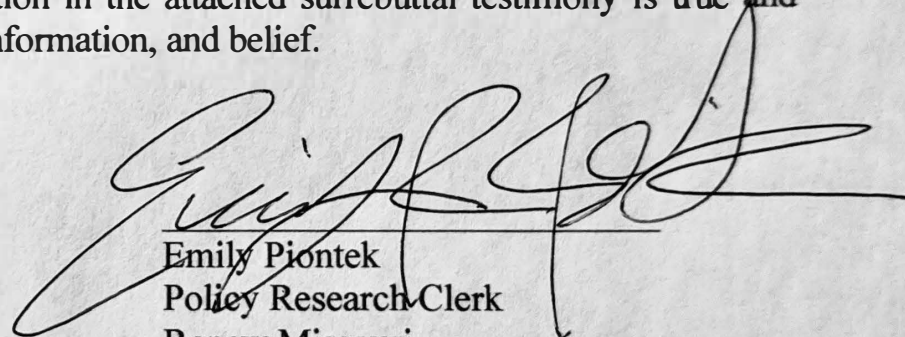
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of The Empire District)
Electric Company's Request for Authority)
to File Tariffs Increasing Rates for Electric) Case No. ER-2019-0374
Service Provided to Customers in its)
Missouri Service Area)

VERIFICATION OF EMILY PIONTEK

Emily Piontek, under penalty of perjury, states:

1. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony in the above-captioned case.
2. My answer to each question in the attached surrebuttal testimony is true and correct to the best of my knowledge, information, and belief.



Emily Piontek
Policy Research Clerk
Renew Missouri

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1 **I. Introduction**

2 **Q. State your name, business name, and address.**

3 A. My name is Emily Piontek and I am a Policy Research Clerk at Renew Missouri Advocates,
4 Inc. (“Renew Missouri”) located at 409 Vandiver Drive, Suite #5 - 205, Columbia,
5 Missouri 65202.

6 **Q. Are you the same Emily Piontek who filed rebuttal testimony in this case?**

7 A. Yes.

8 **II. Residential customer charge**

9 **Q. What is the purpose of your surrebuttal testimony?**

10 A. The purpose of my surrebuttal testimony is to respond to rebuttal testimony presented by
11 the Empire District Electric Company’s Timothy Lyons on the residential customer charge.

12 **Q: What does Mr. Lyons say about the residential customer charge?**

13 A: At pages 17-18 of his Rebuttal, Mr. Lyons says that the Company “has concerns with
14 maintaining Schedule RG’s current customer charge of \$13.00 per month.”¹ He then
15 reiterates the Company wants to increase the customer charge by \$6 to make the customer
16 charge \$19 per month.

17 **Q: How would that customer charge compare to other Missouri Investor Owned Electric
18 Utilities (“IOUs”)?**

19 A: Empire’s \$13 customer charge is already the highest of the IOUs in Missouri by over \$1.50
20 per month. Evergy’s residential customer charge is \$11.47 per month. Ameren Missouri’s
21 \$9 per month was reapproved by the Commission last week. Increasing it to \$19 dollars is

¹ Lyons Rebuttal, p 17.

1 unreasonable, unwarranted, diminishes conservation and efficiency signals, and would
2 make Empire an extreme outlier.

3 **Q: How does Mr. Lyons defend the proposed \$19 customer charge?**

4 A: He says this higher number accounts for costs related to customer-related facilities. He
5 supports this by referring to the 1992 NARUC Electric Utility Cost Allocation Manual. In
6 Footnote 17, he quotes the manual stating: “Distribution Plant Accounts 364 through 370
7 involve demand and customer costs. The customer component of distribution facilities is
8 that portion of costs which varies with the number of customers. Thus, the number of poles,
9 conductors, transformers, services, and meters are directly related to the number of
10 customers on the utility system.”²

11 **Q: Does this quote mean that the Commission should permit a \$19 per month customer
12 charge?**

13 A: No. The Commission’s prior guidance has recognized the variety of policy reasons to keep
14 the mandatory customer charges as low as possible, including customer control over bills
15 and conservation and energy signals. In light of these concerns, the Commission has
16 identified the limited costs included in the calculation should be “meter reading, billing,
17 postage, customer account service, and a portion of the costs associated with required
18 investment in a meter, the service line drop, and other billing costs.”³ Notably, this list does
19 not include the various distribution facilities the Company includes to inflate the cost.

20 Furthermore, relying on a 1992 manual to override guidance from the Commission
21 in 2015 on customer charges would itself be unreasonable. This is particularly true because

² Lyons Rebuttal, pp. 17-18.

³ Missouri Public Service Commission. Case No. ER-2014-0258, Report and Order In the Matter of Union Electric Company, d/b/a Ameren Missouri’s Tariff to Increase Revenues for Electric Service (April 29, 2015).

1 a high customer charge can discourage customers from adopting Distributed Energy
2 Resources like solar panels, from which the Company has access to more than 100,000
3 KWh of capacity.⁴ The proposed increase to customer charges would also have a
4 detrimental impact on low-income customers, low-usage customers, and on the overall
5 energy conservation and energy efficiency goals. In its own 2019 IRP, the Company
6 predicts that EV adoption rates will increase, with 5,000-20,000 EV customers predicted.⁵
7 Additionally, EE & DSM programs are predicted by the Company itself to save over 39
8 MW of demand over the 2019-2039 planning horizon. A high customer charge could limit
9 these energy savings.

10 **Q. What is your recommendation to the Commission?**

11 A. Renew Missouri recommends that Empire's fixed customer charge – already the highest
12 in the state - should remain the same rather than being increased to \$19 per month.

13 **Q. Does this conclude your testimony?**

14 A. Yes.

⁴ Liberty-Empire Electric Company's 2019 Utility Resource Filing Pursuant to 4 CSR 240-22. Missouri Public Service Commission. File No. EO-2019-0049. Volume 3: Load Analysis & Load Forecasting. June, 2019.

⁵ Liberty-Empire Electric Company's 2019 Utility Resource Filing Pursuant to 4 CSR 240-22. Missouri Public Service Commission. File No. EO-2019-0049. Volume 1: Executive Summary; Volume 5: Demand-Side Resource Analysis. June, 2019.