

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

William L. Gehrs, Jr.,)
 Complainant,)
)
v.)
)
The Empire District Electric Company,)
602 S. Joplin Avenue)
Joplin, MO 64801,)
 Respondent)

Case No. EC-2018-0033

STAFF’S INITIAL BRIEF

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Missouri Public Service Commission**

July 12, 2019

William L. Gehrs, Jr.,)
Complainant,)
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The Empire District Electric Company,)
602 S. Joplin Avenue)
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Respondent.)

STAFF'S INITIAL BRIEF

Staff submits this Initial Brief to the Commission in hope that that it can clarify three points raised at the evidentiary hearing held on June 14, 2019: 1) how rates are applied under the Company's residential tariff,¹ 2) the difference between a customer charge and an electric meter, and 3) use of demand meters for non-commercial buildings.

1) How rates are applied under the Company's residential tariff.

While testifying at the evidentiary hearing held on June 14, 2019, Mr. Gehrs stated that, under paragraph 4 of the Conditions of Service² in the residential tariff at issue in this case,

That's where the featherbedding comes in. They're charging us for the extra kWh's and no fee, no work, no nothin', don't cost em' anything. And same way with the customer charges. We got 13 extra charges and no fees or – services are being rendered. So that brings our cost of electricity excessively high, an abusing of the rate structure.³

¹ The tariff referenced throughout this brief is P.S.C. Mo. No. 5 Sec. 1, 19th Revised Sheet No. 1. Any “residential tariff” or “residential tariff sheet” as used in this brief is referring to the above cited tariff.

² Paragraph 4 states, "If this schedule is used for service through a single meter to multiple-family dwellings within a single building, each Customer charge and KWh block will be multiplied by the number of dwelling units service in calculating each month's bill." Mr. Gehrs' account with the Company dates back to 1978, so his building was constructed prior to June 1, 1981.

³ Tr. Vol. IV, p. 71, l. 20-p. 72, l. 2.

Mr. Gehrs' argument in this case centers on a disagreement with the contents of Empire's residential tariff, not that the tariff is being violated. Mr. Gehrs owns a fourteen-unit apartment building with a single meter. Paragraph 4 states, "If this schedule is used for service through a single meter to multiple-family dwellings within a single building, each Customer charge and KWh block will be multiplied by the number of dwelling units service in calculating each month's bill." Therefore, he is assessed fourteen customer charges during each billing period. The first block rate is also multiplied by fourteen, so Mr. Gehr's building must use 8400 kWh, instead of the standard 600 kWh, before reaching the second block of pricing. Mr. Gehrs is being charged appropriately under Empire's Commission approved tariff.

2) The difference between a customer charge and an electric meter.

At times during the hearing, the terms "customer charge" and "meter" were used interchangeably. On cross-examination, counsel for Empire asked Staff witness Robin Kliethermes a few questions to differentiate the two terms:

Q. ...Miss Kliethermes, can you tell us what the purpose of a customer charge is?

A. So the purpose of a customer charge is to look at the cost that it takes Empire to serve its customers without using energy.

Q. So that would be separate from the energy that is being read by the meter?

A. That is separate.

Q. Is it typical for a utility to impose a customer charge in addition to a usage charge?

A. Yes, it is typical for a residential tariff to have a two-part, a customer charge which is per customer and then a usage charge for kWh.⁴

Mr. Gehr's bills include fourteen customer charges, because there are fourteen individual units and fourteen potential customers in his building. If each unit was separately metered, then each unit would be individually billed a customer charge. However, since the fourteen units are served through a single meter Empire's residential tariff dictates that each customer charge and kWh block will be multiplied by the number of dwelling units served. The result of this calculation is essentially billing a multi-dwelling building served on a single meter the same as if each unit was separately metered without requiring each unit to be separately metered. Buildings constructed after 1981 are required to be separately metered.⁵

3) Use of a demand meter on a non-commercial building.

While explaining his experience with owning apartment buildings, Mr. Gehrs stated that when Empire installed a single meter on the premises at issue "...Empire says you got to have a demand meter, and today those apartments still have the demand meter. Demand meters are basically used for commercial businesses."⁶ While Mr. Gehrs is correct that demand meters are generally used for commercial buildings, that is not always the case. As explained by Staff witness Robin Kliethermes,

...larger-load meters are demand meters...Generally, commercial loads are larger. Under the case...with a single meter being served for this 14-unit dwelling...that

⁴ Tr. Vol. IV, p. 177, l. 18-p. 178, l. 5.

⁵ 4CSR 240-20.050(2). "Each residential and commercial unit in a multiple-occupancy building construction of which has begun after June 1, 1981 shall have installed a separate meter for each residential or commercial unit. Mr. Gehrs' account with the Company dates back to 1978, so his building was constructed prior to June 1, 1981.

⁶ Tr. Vol. IV, p. 69, l. 22-p. 70, l. 1.

can be a larger load. So if it's being served through a single meter, it makes sense that a larger meter was placed on the property.⁷

It is also worth noting that Mr. Gehrs' building is not eligible for service under Empire's commercial tariff.⁸ In part, the Availability section of the commercial tariff states

This schedule is available to any general service customer on the lines of the Company whose electric load is not consistently in excess of 40 kW, except those who are conveying electric service to others whose utilization of same is for residential purposes other than transient or seasonal.

Mr. Gehrs apartment building is clearly receiving electricity for residential purposes.

Staff continues to support the conclusion, submitted in its *Staff Report* and *Supplemental Staff Report*, that Empire violated no statutes, Commission rules, or Commission-approved company tariffs, and submits this brief to help clarify this conclusion.

Respectfully submitted,

/s/ Casi Aslin

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⁷ Tr. Vol. IV, p. 171, 1. 1-21.

⁸ P.S.C. Mo. No. 5, Sec. 2, 18th Revised Sheet No. 1.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon all of the parties of record or their counsel, pursuant to the Service List maintained by the Data Center of the Missouri Public Service Commission, on this 12th day of July, 2019.

/s/ Casi Aslin