

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. ER-2011-0004, Report Regarding Issues Related to the Testimony
of Stephanie Ayres at the March 22, 2011 Local Public Hearing in Joplin,
Missouri

FROM: Daniel I. Beck, Energy Department – Engineering Analysis

/s/ Daniel I. Beck 04/26/11 /s/ Sarah Kliethermes 04/26/11
Energy Department / Date Staff Counsel’s Office / Date

SUBJECT: Staff Report concerning ratepayer testimony at Empire Local Public
Hearing

DATE: April 26, 2011

OVERVIEW

On March 22, 2011, Stephanie Ayres testified at the Joplin local public hearing (LPH) for the rate increase requested by The Empire District Electric Company (Empire or Company). The Commission directed Public Service Commission Staff member Dan Beck to file a report on the quality-of-service and billing issues raised by Ms. Ayres [Local Public Hearing, Transcript, Volume 3, Page 17]. Although the final resolution has not been reached on all issues, all of the issues have been addressed and most have been resolved.

Resolution has been reached on the billing problems for the meter that serves the customer’s farm located across the road from her house. In addition, the quality-of-service issues raised by Ms. Ayres for her home have also been addressed, additional information has been collected, and discussions between the Company and the Ayres continue.

DISCUSSION

Staff of the Commission (Staff) has had several discussions with Stephanie Ayres, her husband Paul, and Empire personnel about these issues. At the LPH, Ms. Ayres first testified regarding power outages at their home [Transcript, Volume 3, Pages 15-16]. In

response to her testimony, Empire reviewed the customer's outage history, inspected the lines, replaced a connector, and installed meter devices to allow voltage analysis on both the home and the farm meters. On April 25, 2011, Empire provided Staff with several graphs depicting the fluctuations in voltage that the customer experienced over a six day period. While there were fluctuations, they were not outside the parameters established by the Commission's Standards of Quality Rule or the specific provisions regarding general all-purpose supply at a nominal voltage of 120 volts in 4 CSR 240-10.030(23)(A). The Company still has at least one meter in place that continues to monitor the voltages and plans to discuss the initial results with the customer in the near future.

During the latter part of Ms. Ayres testimony, Ms. Ayres raised issues regarding a high bill from the meter that serves their farm across the road. Staff determined that the bill for services from February 7, 2011, to March 7, 2011, was initially based on an incorrect read that the Company's billing system identified; a second reading was then taken to get the correct usage. This bill also followed an estimated bill for the previous billing month; the estimated bill was to have been read on February 7, 2011, but was estimated due to the large amount of snow that was on the ground at that time. Since the prior bill was estimated, one would have to use two months of actual usage to determine the validity of the bills in question. Although the farm's usage is somewhat erratic and hard to predict, Staff determined that the usage for these two months was about double the usage that the farm had previously experienced for the bills covering the months of January and February when looking at a 5-year history. The Company conducted a meter test on March 24, 2011, that showed the meter was within Commission tolerances. The customer and the Company have reached an agreement to adjust this bill.

Although not specifically mentioned at the hearing, subsequent Staff conversations with the Ayres determined they also had concerns about the meter reader reading their farm meter using binoculars. Since the meter at the farm is located off the road, binoculars have sometimes been used in the past when field conditions warranted. Staff reviewed monthly meter reads dating back to January 2006 and found several incorrect reads have occurred on the farm meter. To address this issue, the Company has installed a permanent meter on the farm that can be read remotely by the use of radio waves which should eliminate or significantly limit the need for manual meter reads as well as estimated reads. Staff will continue to monitor the discussions between the Ayres and the Company. At this time, it is Staff's understanding that the Ayres are satisfied with the progress that has been made on the service matters raised at the local public hearing. Staff expects full resolution of the issues to be reached within 30 days.

INFORMATION CONCERNING MR. ROBBINS LPH TESTIMONY

Although Staff was not directed to file a Report on another witness that followed Ms. Ayres at the Joplin LPH, Mr. Dennis Robbins, Staff has had several conversations with the Company on this matter and would like to take the opportunity to provide the Commission with additional information on this issue. Specifically, starting on page 31 of the transcript, Volume 3, Mr. Robbins testified on several matters including the fact that he and others in the mobile home park that he owns are paying franchise fees even though the park is not located in any city's boundary. Subsequent investigation by the Company determined that the mobile home park in question is indeed not in the city limits and therefore no franchise fee should be or have been applied to those customers' bills. The Company is in the process of refunding several thousand dollars to Mr. Robbins and others

for past bills. These refunds will typically be bill credits but if the customers are no longer Empire customers, the refunds will be credited towards any arrearages and any additional moneys will be directly refunded.

STAFF RECOMMENDATION

At this time and given the progress toward resolution, Staff recommends that the Commission take no action regarding the issues raised by Ms. Ayres' testimony. Staff is not aware of any other matter before the Commission that affects or is affected by this filing.

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

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

File No. ER-2011-0004

AFFIDAVIT OF DANIEL I. BECK

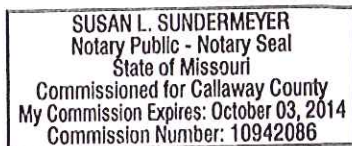
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Daniel I. Beck, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Report in memorandum form, to be presented in the above case; that the information in the Staff Report was given by him; that he has knowledge of the matters set forth in such Staff Report; and that such matters are true to the best of his knowledge and belief.



Daniel I. Beck

Subscribed and sworn to before me this 26th day of April, 2011.





Notary Public