

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

Lonnie Freeman,)	
)	
Complainant,)	
)	
v.)	<u>Case No. EC-2024-0160</u>
)	
The Empire District Electric Company d/b/a)	
Liberty,)	
)	
Respondent.)	

STAFF REPORT

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and for its *Staff Report* respectfully states:

1. On November 7, 2023, Lonnie Freeman (“Complainant”) filed a formal complaint (“Complaint”) against The Empire District Electric Company d/b/a Liberty (“Respondent”).

2. Complainant alleges that Respondent failed to test his meter upon his request, and that his bills were too high and having an effect on his Average Payment Plan (“APP”).¹ As relief, Complainant requests that the Commission order Liberty to have his meter tested by an independent technician, and for his high bills and APP to be examined.

3. The Commission issued its *Notice of Complaint and Order Directing Answer* on November 8, 2023. The Commission ordered Respondent to file an Answer to the

¹ APP is an option that residential customers can elect to participate in, offering an alternative billing system for electric service. Respondent sums the customer’s last 12 months of usage and divides that amount into 12 equal payments.

Complaint no later than December 8, 2023, and directed Staff to conduct an investigation of the Complaint and file a report no later than December 22, 2023.

4. Respondent filed its Answer to the Complaint on December 8, 2023.

5. On December 20, 2023, Staff requested, and the Commission granted, a request for an extension for Staff to file its report no later than January 19, 2024.

I. Staff Investigation

6. Having concluded its investigation, Staff offers its *Staff Report*, attached and incorporated hereto as Appendix A, which details its investigation and analysis. Following its investigation, Staff discovered that Respondent tested Complainant's meter on August 15, 2023, and the meter was found to be working properly.

7. As to Complainant's allegations regarding his high bills and APP, Staff concluded that Respondent is in violation of Commission Rule 20 CSR 4240-13.025(1)(C) ("Rule") and Respondent's own tariff, P.S.C. Mo. No. 6 Sec 5 Original Sheet No. 27 B.(b), Billing Adjustments ("Tariff 1").

8. Both the Rule and Tariff 1 cover Billing Adjustments. The rule states "In the event of an undercharge, the utility shall offer the customer the option to pay the adjusted bill (emphasis added)." Tariff 1 states "The company shall offer the Customer the option to pay the adjusted bill over a period of at least double the period covered by the adjusted bill (emphasis added)."

9. Pursuant to the evidence reviewed during Staff's investigation, Respondent did not inform Complainant of past undercharges, and did not offer him an option to pay that complied with the Rule or Tariff 1. Instead, the underbilling was

incorporated into Complainant's APP status, and his monthly payment was not changed, though the total Complainant owed Respondent increased.

10. Staff also discovered another Respondent tariff, P.S.C. Mo. No. 6 Sec 5 Original Sheet No. 25 A.(2)(e) ("Tariff 2"), that contradicted Tariff 1 and did not comply with the Rule.

11. Tariff 2 covers "Billing and Adjustments." Tariff 2 states "When company underestimates a Customer's usage, the Customer shall be given the opportunity, if requested, to make payment in installments (emphasis added)."

12. The Rule and Tariff 1 requires the utility to be proactive and offer the payment arrangement to the customer. Tariff 2 reverses that dynamic, and requires the customer to be proactive and request a payment arrangement, putting it in violation of both the Rule and Tariff 1. Since Complainant was not informed of any past undercharges, there appears to be no way for him to know about, let alone request, a payment arrangement.

II. Staff Recommendations

13. Staff recommends that the Commission take the following actions:

- a. When a customer is on APP and is undercharged or overcharged, Liberty should treat that amount as a separate incident. The customer should be notified that there has been a billing error and given payment choices that comply with the Chapter 13 rebilling rules. Staff recommends that the Commission order Respondent to comply with Commission rule 20 CSR 4240-13.025(1)(C) and its own tariff, P.S.C. Mo. No. 6 Sec 5 Original Sheet No. 27 B.(b);

- b. Staff recommends the Commission order Liberty to make a filing revising its tariff P.S.C Mo. No. 6 Sec. 5 Original Sheet 25 (A) (2)(e) and remove “if requested” so that the tariff complies with Commission rule 20 CSR 4240-13.025(1)(C); and
- c. Staff recommends the Commission order Liberty to put processes in place so the APP does not cause a customer to have an increasingly higher balance with no end.

WHEREFORE, Staff hereby tenders its *Staff Report* for the Commission’s information and consideration.

Respectfully Submitted,

/s/ Travis J. Pringle

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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 parties and/or counsel of record this 19th day of January, 2024.

/s/ Travis J. Pringle