

Exhibit No.:
Issue: Rate Design
Witness: Leslie Haase
Sponsoring Party: City of Joplin
Type of Exhibit: Surrebuttal Testimony
Case No.: ER-2016-0023
Date: May 16, 2016

MISSOURI PUBLIC SERVICE COMMISSION

CITY OF JOPLIN

**SURREBUTTAL TESTIMONY
OF
LESLIE HAASE**

**IN THE MATTER OF THE EMPIRE DISTRICT ELECTRIC COMPANY'S REQUEST
FOR AUTHORITY TO IMPLEMENT A GENERAL RATE INCREASE FOR
ELECTRIC SERVICE**

CASE NO. ER-2016-0023

Joplin Exhibit No. 1
Date 6-02-16 Reporter XF
File No. ER-2016-0023


BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

STATE OF MISSOURI)
)
COUNTY OF JASPER)

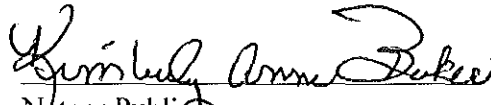
AFFIDAVIT OF LESLIE HAASE

Leslie Haase, being of lawful age, on her oath states: that she has participated in the preparation of the following Surrebuttal Testimony in question and answer form, to be presented in the above case; that the answers in the Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.



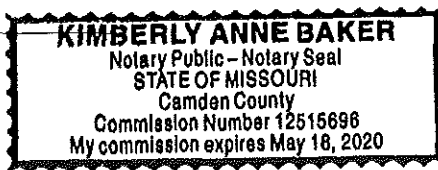
Leslie Haase

Before me personally appeared Leslie Haase, who being duly sworn stated that the foregoing is true and correct.



Notary Public

My Commission Expires: _____



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

In the Matter of the Empire District Electric)
Company's Request for Authority to Implement)
a General Rate Increase for Electric Service) Case No. ER-2016-0023

Rebuttal Testimony of Leslie Haase

1 **Q. Please state your name.**

2 A. I am Leslie Haase.

3

4 **Q. What is your position with the City of Joplin?**

5 A. I am the Finance Director for the City of Joplin, Missouri.

6

7 **Q. Have you reviewed the Direct Testimony and Rebuttal Testimony filed by the PSC
8 Staff in this matter?**

9 A. I have.

10

11 **Q. What is the purpose of your Surrebuttal Testimony?**

12 A. My testimony is to respond to the rebuttal testimony regarding rate design of the
13 Company and PSC Staff previously filed in this matter.

14

15 **Q. Please state Joplin's history with respect to the Company.**

16 A. First, Joplin is the proud home to the headquarters of the Company. The Company is a
17 vital and integral part of our community.

1
2 Second, since 2010, the Company has requested and received four rate increases. See
3 ER-2010-0130, ER-2011-0004, ER-2012-0345, ER-2014-0351. The *summer* bill of a
4 residential customer using 1000 kWh prior to 2010 would have been approximately
5 \$105.74. Today, even without the increase requested in this case, the same residential
6 customer pays approximately \$135.06, a 27.7% increase. The *winter* bill of a residential
7 customer using 1000 kWh prior to 2010 would have been approximately \$106.08.
8 Today, even without the increase requested in this case, the same residential customer
9 pays approximately \$125.88, a 34.5% increase.

10
11 These increases are particularly burdensome coupled with the significant increases in
12 water rates for the same residential customers. The residents of Joplin received an
13 increase in excess of 60% in the 2007 Missouri-American rate case and an increase of
14 nearly 25% in 2008. Joplin received a water rate increase of almost 16% in 2010. In less
15 than five years, the residents of Joplin saw a 132% increase in Missouri-American water
16 rates.

17
18 **Q. Why is an increased customer charge particularly harmful to Joplin residential**
19 **customers?**

20 A. An increase in customer charge negatively affects Joplin residents, particularly low-
21 income and fixed-income residents.

22 Joplin's median household income (in 2014 dollars) was \$37,899. This figure is well
23 below the statewide median household income of \$47,764. The percentage of persons in

1 poverty in Joplin is 19.0%; that is well above the statewide figure of 15.5% and the
2 national average of 14.8%. The percentage of persons 65 years and over in April 2010
3 was 14.8% (higher than the state average of 14.0% and the national average of 13.0%).
4 In Joplin, the percentage of owner-occupied housing is only 57.2% (2010-2014),
5 compared with 67.9% statewide.

6
7 In addition, in May of 2011, Joplin was hit by an EF-5 tornado. More than 7,500
8 residential dwellings were destroyed or damaged. More than 530 businesses were
9 destroyed or damaged. More than 17,000 people were affected by the tornado. While
10 Joplin's recovery efforts have been significant, many residents still live the effects of the
11 tornado, day-in and day-out.

12
13 **Q. Is there any alternative to raising the customer charge?**

14 **A.** Yes. The alternative is to raise the volumetric charge. To the extent the Commission
15 approves an increase in rates, the residents of Joplin would be better off with an increase
16 to the volumetric rate as opposed to the customer charge.

17
18 An increase to the volumetric rate means that individual customers could choose to lower
19 their bill impacts by choosing to conserve and reduce their electric usage. This protects
20 low-income and fixed-income residents and encourages energy conservation by all users.

21
22 **Q. Staff and MECCG have proposed a revenue responsibility shift away from industrial**
23 **customers to residential customers. Do you agree that a shift is warranted?**

1 A. No. While Joplin strongly supports the principle of cost causation, the evidence in the
2 last rate case, as well as this rate case, shows that the residential class is covering the
3 company's cost to serve the residential class.

4
5 Any shift from large multinational and billion dollar corporations to individual residential
6 customers only exacerbates the burdens and hardships on individuals as described herein.

7 While these large corporations are able to pass any and all rate increases on to individuals
8 through increasing their product or service prices and spreading the increase across
9 millions of customers, individual residents do not enjoy such luxury. The increase in
10 rates on an individual will come out of the same pool of money he or she uses to purchase
11 items like food, prescriptions and other necessities.

12
13 After the rate shocks from the prior rate cases, and the disaster of 2011, such a shift
14 would be unfair and unreasonable to impose upon residential customers.

15

16 **Q: Does this conclude your testimony?**

17 A: Yes.