

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

In the Matter of The Empire District Electric)
Company's Low Income Pilot Program) **Case No. EO-2017-0041**

STAFF RECOMMENDATION TO APPROVE TARIFF

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its *Recommendation to Approve Tariff* in this matter hereby states:

1. On August 10, 2016, the Commission issued its *Order Approving Stipulation and Agreement* in The Empire District Electric Company's ("Empire") most recent rate case, File No. ER-2016-0023, directing the implementation of an experimental low-income pilot program ("Pilot Program"), with a budget of \$250,000, no later than January 1, 2017, or as soon thereafter as possible.

2. Pursuant to the Commission's *Order Approving Stipulation and Agreement*, on December 2, 2016, Empire filed P.S.C. Mo. No. 5, Section 4, Original Sheet No. 24, detailing Empire's Low Income Pilot Program.

3. As explained in the Staff Recommendation set forth in the accompanying Memorandum, which is incorporated herein by reference, Staff has reviewed the tariff sheet filed by Empire and has determined that it complies with the Commission's *Order Approving Stipulation and Agreement*.

4. Staff has verified that the Company has filed its 2015 annual report, and is not delinquent on its PSC assessment. Staff is not aware of any other matters before the Commission that affects or is affected by this filing.

WHEREFORE, Staff recommends the Commission issue an order approving the below-designated tariff sheet, or allow the tariff sheet to go into effect by operation of law, and grant such other and further relief as it considers just in the circumstances.

P.S.C. MO No. 5, Section 4
Original Sheet No. 24

Respectfully submitted,

/s/ Mark Johnson

Mark Johnson
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served, by hand delivery, electronic mail, or First Class United States Mail, postage prepaid, to all parties of record on the Service List maintained for this case by the Data Center of the Missouri Public Service Commission, on this 19th day of December, 2016.

/s/ Mark Johnson

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. EO-2017-0041, Tariff Tracking No. YE-2017-0117
The Empire District Electric Company

FROM: Kory Boustead, Energy Resources Department

/s/ John Rogers 12/19/2016 /s/ Mark Johnson 12/19/2016
Energy Resources Dept / Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation For **Approval** of Tariff Sheets Filed to Comply With The Commission's Order Approving Stipulation and Agreement issued on August 10, 2016.

DATE: December 19, 2016

Recommendation

On December 2, 2016, The Empire District Electric Company (Empire) filed with the Commission one (1) tariff sheet (Section 4, Original Sheet No. 24) regarding the Low-Income Pilot Program (Program) with an issue date of December 2, 2016, and a proposed effective date of January 1, 2017.

The Staff has reviewed the proposed tariff sheet, and is of the opinion that it is in compliance with the Commission's August 10, 2016, Order in File No. ER-2016-0023.

Background

The tariff sheet filed is to comply with the Commission's **ORDER APPROVING STIPULATION AND AGREEMENT** Issued August 10, 2016, effective September 9, 2016, in File No. ER-2016-0023 which, in Ordered Paragraph 5 directs:

5. Empire shall establish an experimental low-income pilot program with a total program budget of \$250,000, no later than January 1, 2017, with a goal of studying the impact removing the customer charge for certain low-income residential customers has on the company's disconnection and bad debt percentages. The program shall be implemented by January 1, 2017, or as soon as possible thereafter, and shall run until either the funds are exhausted or until rates are implemented from Empire's next general rate case, whichever occurs first. Empire shall track the program's cost as a regulatory asset for recovery consideration by the Commission shall assign a separate file from File No. ER-2016-0023 for monitoring the low-income pilot program and establishing

standards and guidelines for the program. All parties to this general rate case shall be made parties to the low-income pilot program file.

Discussion

This tariff sheet implements the Low-Income Pilot Program with a budget of \$250,000 annually. The Program will run until either the budget is exhausted or until rates are implemented from Empire's next general rate case, whichever occurs first.

The Program will provide qualified customers with a bill statement which reflects a monthly credit equal to the monthly customer charge and a revised bill payment amount under the following conditions:

1. Customer must be registered with a designated CAA Agency;
2. Customer must remain current within two (2) billing cycles to continue on the Program. Customers that default on payments for two (2) consecutive months will be removed from the Program and not be allowed back into the Program for twelve (12) months, except that a CAA may request a one-time re-enrollment for a defaulted customer experiencing a short-term, unanticipated financial hardship;
3. Customers receiving monthly credits must be enrolled in the Average Payment Plan (Rider AP) with any under or over collection balance existing at the settlement month rolled over and spread equally across all monthly bills in the next APP year;
4. Customers must make all payment on-time (before the delinquent date); and
5. Monthly bill credits will be adjusted so that customer's total bill after the monthly credit is a minimum of \$10 (ten dollars) per month. Credits will be calculated in these circumstances once the Rider AP billing amount has been determined.

The goals of the Program are: 1) provide electric bill payment assistance to customers meeting the Program's eligibility requirements, and 2) evaluate the impact of the Program on the disconnections and uncollectible/bad debts amounts for Empire.

The Staff recommends that the Commission issue an order approving the following proposed tariff sheet, as filed on December 2, 2016, to become effective on January 1, 2017, as requested by Empire, or permit the tariff sheet to go into effect by operation of law:

P.S.C. Mo. No. 5, Section 4
Original Sheet No. 24

Tariff Tracking No. YE-2017-0117

Empire District Electric

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The Staff has verified that Empire is not delinquent on any assessment or the filing of its 2015 annual report. The Staff is not aware of any other matter pending before the Commission that affects or is affected by this tariff filing.

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Company's Low-Income Pilot Program)

Case No. EO-2017-0041

AFFIDAVIT

State of Missouri)
) ss.
County of Cole)


COMES NOW Kory J. Boustead and on her oath declares that she is of sound mind and lawful age; that she contributed to the attached Staff Memorandum; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.


Kory J. Boustead

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 19th day of December, 2016.


NOTARY PUBLIC

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| JESSICA LUEBBERT Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: February 19, 2019 Commission Number: 15633434 |
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