

**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 CLARIFICATION OF RECOMMENDATION TO APPROVE TARIFF
AND CORRECTED MEMORANDUM**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and hereby states the following:

1. On December 19, 2016, Staff filed its *Staff Recommendation to Approve Tariff ("Recommendation")*, stating that Staff had reviewed the tariff sheet filed by The Empire District Electric Company ("Empire") and determined that it complies with the Commission's *Order Approving Stipulation and Agreement* issued on December 2, 2016, in Case No. ER-2016-0023.

2. On page two (2) of the *Memorandum* attached to Staff's *Recommendation*, Staff stated, "This tariff sheet implements the Low-Income Pilot Program with a budget of \$250,000 annually." The word "annually" was inadvertently added to the sentence and has been remedied in Staff's corrected *Memorandum*, attached hereto as Appendix A.

3. Staff has reexamined P.S.C. Mo. No. 5, Section 4, Original Sheet No. 24, detailing Empire's Low-Income Pilot Program, and has confirmed that the tariff sheet implements the Low-Income Pilot Program with a **total program budget** of \$250,000, in compliance with the Commission's *Order Approving Stipulation and Agreement*.

4. Staff apologizes for any confusion caused by its *Recommendation*, and asks the Commission to accept Staff's corrected *Memorandum* attached hereto.

WHEREFORE, Staff submits its *Staff Clarification of Recommendation to Approve Tariff and Corrected Memorandum* for the Commission's information and consideration, and recommends the Commission approve the following tariff sheets:

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

Respectfully submitted,

/s/ 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 10th day of February, 2017.

/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

<u>John Rogers</u> <u>2/10/17</u>	<u>Mark Johnson</u> <u>2/10/17</u>
Energy Resources Department / 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

Corrected 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. 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.