

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

In the Matter of Program Criteria of The)
Empire District Electric Company.)

Case No. EO-2005-0386

STATUS REPORT

COMES NOW the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”) and for its Status Report in the above-captioned case, respectfully states as follows:

1. On April 26, 2005, The Empire District Electric Company (“Empire”), the Staff (“Staff”) of the Missouri Public Service Commission (“Commission”), the Office of the Public Counsel (“Public Counsel”), the Missouri Department of Natural Resources – Energy Center (“DNR-EC”), Praxair, Inc., and Explorer Pipeline Company filed with the Commission a Notice indicating that the parties had not been able to meet for the purpose of cooperatively developing program criteria, pursuant to paragraph 11 of the Stipulation And Agreement As To Certain Issues (“Stipulation”), which was approved by the Commission as part of its March 10, 2005 Report And Order in Empire’s recent general rate case (Case No. ER-2004-0570). These criteria relate to the four energy efficiency programs and the wind assessment initiative proposed by DNR–EC and agreed to in the Stipulation.

2. According to paragraph 11 of the Stipulation, a meeting was to take place within 30 days of the effective date of the Commission’s approval of the Stipulation; *i.e.*, by April 27, 2005. If, by that date, the parties were unsuccessful in setting mutually agreeable program criteria, the parties were to refer the matter to the Commission. The aforementioned Notice, which initiated the instant case, stated that the parties were hopeful of being able to meet and

agree on program criteria within 90 days of April 27, and suggested, therefore, that it would not be necessary at that time to ask that the Commission establish the program criteria.

3. On May 3, 2005, the Commission issued an Order directing the Staff to file a Status Report by 4:00 p.m. on May 26, 2005. The Commission stated its expectation that a meeting among the parties would be held by May 26, and that if a meeting had not occurred by then, the Commission would set a meeting date and require the parties to attend.

4. A meeting was held on May 17, 2005. Representatives from Empire, DNR-EC, Public Counsel, and the Staff were present. The following summarizes the discussion of the subject energy efficiency programs and the wind assessment initiative.

a) Low Income Weatherization Program (at least \$155,000 annually): Empire will allocate the funds for low income weatherization to the Community Action Agencies in the Empire service territory, based on the number of Empire customers in the particular counties served by each such agency and the number of low income households in those counties. The figures on the number of low income households will be taken from the latest census information. This proposed allocation employs the same formula used to disburse funds under weatherization programs of other utilities.

b) Lighting Program (at least \$20,000 annually): Brenda Wilbers of DNR-EC will coordinate a meeting between the Mid-West Energy Efficiency Alliance (“MEEA”), which administers the Change a Light, Change the World Program, and Terry Oliver, the contact person at Empire, to coordinate participation in the 2005 program.

c) Appliance and HVAC Rebate Program (at least \$100,000 annually): The parties identified refrigerators, freezers and air conditioners as the potential applicable Energy Star appliances. From experience with other utilities, DNR-EC is concerned that

there may not be sufficient funds for a refrigerator/freezer program at this time, and that there is not enough time to get an air conditioner program going before the summer of 2005. The parties agreed, therefore, to accumulate the funds through this summer and either to design a program to be administered by Empire (similar to the current AmerenUE gas rebate program that resulted from Case No. GR-2003-0517), or to utilize MEEA to administer a program similar to that which it is implementing this summer in parts of Commonwealth Edison Company's service territory in Illinois. As an alternative to the appliance rebate program previously agreed to, Empire will look into the possibility of using the rebate program funds to acquire an online audit program with a billing interface, and will provide this information to the collaborative for discussion at the next meeting.

d) Commercial Energy Efficiency Audit Program (at least \$25,000 annually):

DNR-EC will provide Empire with more information on a similar program at AmerenUE. Empire suggested, as a potential alternative to the audit program provided for in the Stipulation, that the parties consider using this money to fund training of commercial weatherization and energy efficiency auditors. Empire plans to develop a training proposal for the collaborative to consider.

e) Wind Assessment Initiative (one-time expenditure of at least \$80,000):

Empire agreed to name, and has since named, for Ms. Wilbers a contact person who will be responsible for Empire's participation in the wind assessment initiative. The aim of the initiative is to produce wind measurements at two specific sites that can be used to begin quantifying the wind resources in Southwest Missouri.

5. The parties have tentatively agreed to a conference call on June 16, 2005 at 9:00 a.m., to present the latest information and to further discuss these programs.

WHEREFORE, the Staff hereby submits its Status Report in this proceeding.

Respectfully submitted,

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/s/ Dennis L. Frey

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 26th day of May 2005.

/s/ Dennis L. Frey