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

In the Matter of Filing Requirement Rules ) Case No. EX-2007-0214 For Electric Utilities )

# MOTION TO SUBMIT SUPPLEMENTAL COMMENTS AND SUPPLEMENTAL COMMENTS OF KANSAS CITY POWER & LIGHT COMPANY TO PROPOSED INFRASTRUCTURE STANDARDS AND VEGETATION MANAGEMENT RULES

Kansas City Power & Light Company ("KCPL") hereby moves to supplement the comments it provided in the above-captioned proceeding on August 15, 2007. Specifically, KCPL seeks to supplement its comments (i) to clarify oral comments that were provided on August 15, 2007 and (ii) to respond to requests from Commissioners for additional information.

KCPL respectfully requests that the Commission accept these comments and consider them during its deliberation of the proposed rules.

#### I. BACKGROUND

- 1. On July 16, 2007, the following proposed rules were published in the Missouri Register: (i) 4 CSR 240-23.020, Electrical Corporation Infrastructure Standards ("Infrastructure Rule") and (ii) 4 CSR 240-23.030, Electrical Corporation Vegetation Management Standards and Reporting Requirements ("Vegetation Management Rule"). Pursuant to the notice accompanying the proposed rules, KCPL submitted written comments on August 15, 2007 and provided oral comments at a hearing that was also held on that date.
- 2. KCPL now seeks to clarify the oral comments of Mr. William P. Herdegen, III and also to supplement its written comments in response to information requested by Commissioners at the hearing. Good cause exists to accept KCPL's supplemental comments. Permitting KCPL to clarify Mr. Herdegen's comments will in turn clarify the record in this proceeding. Moreover,

1

responding to requests by Commissioners for additional information will aid the Commissioners in their deliberations of the proposed rules.

#### II. INFRASTRUCTURE RULE

- 3. In its written comments, KCPL described in some detail its various automation and communications programs that monitor different elements of its distribution system. During the hearing, the Commissioners inquired whether such programs affect the need to inspect facilities as often as proposed in the Infrastructure Rule. In response to that inquiry, attached hereto as Appendix C is a table depicting KCPL's alternative inspection cycles. KCPL proposes two changes to the inspection cycles in the proposed rule: (i) KCPL's generally lengthens the cycles proposed in the rule because as drafted they are unnecessarily short and (ii) KCPL includes a consideration of a utility's use of automated monitoring equipment.
- 4. The inspection cycles in the proposed rule are aggressive relative to national industry practices. As detailed in KCPL's initial written comments, KCPL believes a more holistic asset management based portfolio of integrated programs customized for each utility would generate better results. Lengthening inspection cycles will allow utilities flexibility to incorporate asset performance, condition, design, age, failure rates, replacement cost and the degree of automation into decision models that initiate the inspection of specific infrastructure. KCPL notes with approval, however, the discretion afforded the Commission in proposed Section 23.020(3)(F), which provides in pertinent part

when an electrical corporation has demonstrated a pattern of non-compliance with Commission Safety Standards ...; ... Infrastructure Standards ...; and/or Reliability Rules ..., the commission may require a shorter interval between inspections.

Such discretion would enable the Commission to address any reliability issues that arose as the result of a utility inspecting its facilities too infrequently, without imposing unduly burdensome requirements on all industry participants.

5. Appendix C also reflects the impact on inspection cycles of automated monitoring equipment. Although reformatted from the chart included in the proposed rule, Appendix C is intended to address the same components except for buried cables, which as discussed at the hearing cannot be inspected. To reflect the impact automated monitoring has on inspection cycles; KCPL added an additional column entitled "Automated Patrol via Real-Time Monitoring." Because automated equipment and devices with remote monitoring are being constantly monitored, such equipment does not require a routine patrol inspection. Nonetheless, KCPL believes that a detailed inspection of automated equipment on a 10-year cycle would be reasonable.

#### II. VEGETATION MANAGEMENT RULE

#### A. Clarifications to Oral Comments

- 6. During his oral comments, Mr. Herdegen indicated that KCPL provides incentives to its contractors based on KCPL's reliability performance. KCPL wishes to clarify that its incentive program differs depending on the type of contractor involved. KCPL provides incentives based on reliability statistics, as Mr. Heredegen described, to Environmental Consultants, Inc. ("ECI"). KCPL provides incentives to its tree trimming contractors, on the other hand, based on productivity. These different incentive approaches make sense because ECI designed and manages the program.
- 7. In response to a question from a Commissioner, Mr. Herdegen indicated that he was not sure when KCPL initiated its relationship with ECI relative to the January 2002 ice storm. KCPL clarifies that it engaged ECI in the third quarter of 2001 to conduct an assessment and a field survey of KCPL's vegetation management program. In the fourth quarter of 2001, KCPL expanded ECI's engagement to include total program management services. All of these events took place prior to the January 2002 ice storm.

В. **Supplemental Comments** 

> During the August 15, 2007 hearing, a Commissioner proposed what KCPL 8.

understood to be a safe harbor from the requirements of the Vegetation Management Rule, and

possibly the Infrastructure Rule, for utilities that demonstrated a level of reliability above some

threshold. KCPL endorses such a safe harbor, but believes that it would be premature to suggest a

reliability threshold at this time in light of the Commission's pending rulemaking concerning

reliability. KCPL believes it would make sense to use the reliability standards that result from that

proceeding as the threshold for exemption from the requirements of the Vegetation Management

Rule.

III. CONCLUSION

KCPL respectfully requests that the Commission accept and consider the foregoing

supplemental comments when finalizing the proposed Infrastructure Rule and the Vegetation

Management Rule. Please do not hesitate to contact the undersigned with any comments or

concerns.

Respectfully submitted,

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Dated: August 17, 2007

4

### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing comments were served either electronically or via first class mail, postage pre-paid, on this 17<sup>th</sup> day of August, 2007 upon each party to this proceeding.

By: Isl Curtis D. Blane

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