BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

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

Kansas City Power & Light Company ("KCPL") hereby submits its comments in response to the Proposed Rules published in the Missouri Register on July 16, 2007. The Missouri Public Service Commission ("Commission") proposes (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"). The notice published in the Missouri Register indicates that comments are due on or before August 15, 2007.

KCPL respectfully requests that the Commission consider these comments prior to taking further steps to finalize the rules.

I. INFRASTRUCTURE RULE COMMENTS

A. Review of the Proposed Infrastructure Rule

1. KCPL has reviewed the proposed Infrastructure Rule in detail. KCPL understands and appreciates the Commission's goal to establish minimum standards across the state to ensure a safe and reliable electrical system. However, the proposed rule as presently drafted is unnecessarily prescriptive, requires all electrical corporations to implement nearly identical inspections, and relies too heavily on time-based inspections. As currently proposed, the rule will direct valuable resources away from new technologies that provide superior

infrastructure monitoring, *i.e.*, inspection, for the same or less cost. KCPL believes an alternative approach will accomplish the Commission's objectives at a lower cost to consumers.

B. Alternative Rule Framework

2. KCPL's main concern with the proposed rule is the table prescribing time-based inspections without incorporating other aspects of a utility's asset management, maintenance and automation strategy. KCPL believes the basis for the rule should be system performance. A consistent system of measurements needs to be established so all electrical corporations are measuring "apples-to-apples". Reliability is the most appropriate metric for performance measurement for an infrastructure rule. KCPL recommends a consistent method, such as application of metrics (such as System Average Interruption Duration Index ("SAIDI") and System Average Interruption Frequency Index ("SAIFI")) from IEEE Standard 1366 with appropriate exclusions. Metrics should be monitored over a period of several years to observe trends over time. If performance is trending positive, the utility's overall approach is producing the appropriate response. Single year performance or single year-over-year changes can be deceiving and may not be sustainable.

3. Once consistent performance metrics are established, electrical corporations should then develop an infrastructure inspection and maintenance plan based on the company's particular system requirements. KCPL applies a holistic, asset management based portfolio of integrated programs to accomplish this task. This approach utilizes statistical-based asset analysis that takes into account asset performance, condition, design, age, failure rates, replacement costs, and the degree of automation in place.

4. KCPL recognizes that its approach may not fit all utilities. KCPL proposes that each utility submit their plan for Commission review and provide annual reporting illustrating

execution and performance of the plan as well as improvements needed to produce the desired results.

5. In summary, KCPL recommends the following alternative components for the proposed rule:

- Each utility should be required to develop an Infrastructure Inspection and Maintenance Plan that fits the specific system design and present needs to drive desired performance. This plan should be modified periodically.
- Consistent performance metrics should be provided with appropriate trending over time.
- Utilizes condition-based maintenance and monitors asset performance.
- Applies new technologies to automate equipment to optimize maintenance and performance as well as provide real-time monitoring, *i.e.*, constant inspection.
- Takes into account the utility's standards and designs.
- Takes into account the utility's historical performance trends.
- Inclusion of time-based cyclic inspections and maintenance to compliment other parts of the portfolio.
- Has a long range back-drop to move toward an intelligent grid in the future.
- Provides for reporting to the Commission on execution of the plan and performance of the system.

C. Illustrative Examples

6. Each Missouri utility has unique designs, materials, challenges, performance and other attributes. KCPL uses asset performance, for example, to monitor interruptions on a circuit

lateral. A lateral that is trending poorly requires an inspection and possible corrective action. A lateral that has experienced no interruptions for a long period requires less detailed attention.

7. Design standards and previous maintenance history differ from utility to utility. For example, KPCL's distribution standards comply with the NESC's Heavy Loading "Grade B". If another utility applies a different standard, their system may require more frequent inspection and repair. An analogy is automobile oil changes. Manufacturers typically recommend changing mineral oil every 3 months or 3,000 miles. If synthetic oil is used, the time and mileage between oil changes can be increased because the synthetic oil is "better". Advanced monitoring can be installed to monitor the condition of the oil and provide an "alarm" to the owner that oil needs to be changed. This would ensure the "optimal" use of the oil asset.

8. KCPL has implemented several distribution automation technologies that use two-way communications. These systems provide constant, real-time monitoring of the system. Alarms from KCPL's Underground Network Automation have prevented multiple equipment failures. In most cases, the conditions leading to the failures would not have been apparent during a simple time-based inspection. KCPL also has over 800 automated distribution capacitors. Annual patrols of these devices are no longer necessary as they are "self-monitoring" and provide an alarm to alert operations personnel of conditions requiring an inspection. Such automation projects provide many operational benefits beyond optimizing inspections and maintenance.

D. Summary of KCPL's Infrastructure Programs

9. KCPL supports the purpose of the proposed Infrastructure Rule and currently conducts routine infrastructure inspections. Specifically, KCPL has already implemented the following infrastructure-related asset management programs:

- Distribution System Inventory and Condition Assessment ("DSICA");
- High Outage Count Customers;
- Circuit Inspection and Repair;
- URD Cable Replacement;
- URD Cable Injection;
- Worst Performing Circuits;
- Infrared Patrols; and
- Various Distribution Automation Initiatives.

10. The development and ongoing purpose of KCPL's asset management programs has been to maintain and enhance KCPL's current Tier 1 industry level reliability performance. KCPL's approach consists of two drivers, one being a statistical-based asset analysis with the ultimate goal of creating a long-term economical approach for sustaining the performance of assets at an optimal cost. The second driver is a focus on implementing new technologies that improve both the operation and reliability of the infrastructure. Distribution automation and communication technology plays a large role in this focus.

11. KCPL is increasingly using cost-effective communication technologies to bring to the desktops the condition of key assets. This, in addition to correlating statistical information about our assets, provides a smarter way to address replacement decisions. Although it is important to visit certain assets in the field, KCPL has found that better decision-making can be performed through statistical and technological means, much of which can be performed without the need for regular patrol cycles.

Distribution Automation Initiatives

12. KCPL's increasing use of distribution automation enables further real-time, condition-based monitoring and maintenance of certain assets, rather than mere cyclic patrols. This information is used by both engineers and technical specialists and will also be shared with customer service personnel and customers. Distribution automation also improves service reliability.

13. Two simple examples where automation has optimized maintenance are (i) KCPL's Underground Network Automation and (ii) KCPL's Capacitor Automation. Both of these systems provide conditional information to system operators and engineers to allow for proactive maintenance based on the real-time conditions. Simple time-based inspections, as proposed in the rule, require applying valuable resources to patrol "healthy" equipment. Part of the justification for automating this equipment is optimizing maintenance and reducing inspections of healthy equipment. Moreover, without automation, a condition that could lead to an outage may appear shortly after a time-based inspection.

14. The time between inspections should not be arbitrarily mandated. Instead, the optimal inspection cycle for an asset should be based on the asset's performance, condition, design, age, failure rates, environmental conditions, level of automated monitoring, and other asset data.

Evaluation of the Asset Management Programs

15. KCPL performs a review and evaluation of the results of each asset management program annually. KCPL evaluates the cost-effectiveness of each program by comparing each program's results with past performance.

16. KCPL provides performance time-series trend indicators on its service reliability. The trended time-series evaluation of SAIDI performance is a relative indicator of its

performance relative to the perspective of its customers. Time series comparisons that gauge service reliability trends over time are considered important inputs or potential indicators to the performance of our overall Asset Management Plan. In addition to SAIDI, KCPL trends the Customer Average Interruption Duration Index ("CAIDI"), SAIFI, and CEMI-x indices. For each index, KCPL calculates both normalized and non-normalized values. KCPL also benchmarks the reliability of its system against a peer group of utilities, using IEEE Standard 1366.

17. In addition, KCPL benchmarks to evaluate cost trends. KCPL targets Tier 1 performance as an internal philosophy, and it also tracks internal performance year to year to ensure trends are favorable. A primary benefit of benchmarking is being able to identify the top performers and forming relationships with them to share best practices

18. KCPL participates in the JD Power & Associates Customer Satisfaction Survey for the utility industry. A component of overall satisfaction is that of Power Quality and Reliability. This measure identifies customer satisfaction issues that need to be addressed.

19. KCPL also identifies and scores projects to prioritize and optimize its project portfolio. This process mitigates risks of major outage events, minimizes SAIDI and CEMI, and helps maintain Tier 1 performance levels at the most optimal portfolio costs. The process evaluates the risk of reducing or deferring programs. It also enables KCPL to measure and explain the degree of diminishing value and increased risk as outlined in the parameters above.

20. The key asset management programs listed above have all contributed to better efficiencies and enhancements being made in the management of distribution assets. The following examples highlight and define the value of KCPL's asset management programs:

(i) The Distribution System Inventory and Condition Assessment ("DSICA") provides the opportunity to capture the condition and design of key assets on the distribution system. A targeted proactive approach to specific asset maintenance and replacement will reduce outages.

The DSICA is a two-pronged approach. The condition assessment is an inspect-and-repair type of traditional inspection. The system inventory captures data on the types, number, and location of specific equipment across the entire distribution system. It also captures the line design and configuration as well as verification of proper mapping. The inventory data will be used in studies to determine optimal maintenance programs and to assess the extent-of-condition of problematic materials or designs.

An example is KCPL's treatment of its aluminum-housed porcelain dead-end insulators. KCPL anticipates a need to develop a replacement program for these insulators. KCPL's system inventory will provide critical data to validate the hypothesis, to develop a proper scope, assess urgency, and develop an optimal program.

(ii) KCPL developed a High Outage Count Program. Research shows that customer satisfaction begins to deteriorate as a customer experiences multiple interruptions. Subsequently KCPL uses CEMIn as one of its three strategic reliability goals. The threshold of customer satisfaction is three outages per year. The lateral-oriented programs address repetitive outages on devices below the feeder mainline level. These are often referred to as poor performing "pockets." KCPL uses exception reporting to flag devices with multiple outages. Such a ranking enables KCPL to

effectively target devices for remediation based on the number of customer interruptions avoided per dollar spent. The cost of remediation can vary widely; from as little as a few hundred dollars for an animal guard or fuse coordination, to a few thousand dollars for a single pole replacement or a mile of tree trimming, to over $100,000 to completely rebuild a portion of line.

(iii) KCPL developed a proactive URD cable replacement program to improve and stabilize the reliability of cable as it ages. KCPL's objective is to address URD cable failures before they occur. The guidelines focus on radial or looped underground laterals and takes into account type, age, design, number of failures experienced, and the number of customers affected for the URD cable. KCPL has also developed an injection program for stranded pre-1983 URD cables targeting high-outage URD areas that are complete radial or looped underground laterals. The injection process involves a pressure injection of an insulating solution through the stranded conductors so as to fill "treeing" voids in the existing insulation with the intention of restoring the insulation to near new condition and reducing cable failures. KCPL has 3,300 sections of URD cable that qualify for its cable injection program.

(iv) In the past 15 years, KCPL has broadened its scope of asset management to include both automation and communication technology. These provide real-time information to the desktops and in some cases allows regulating and switching equipment to automatically adjust to conditions in the field, creating a more favorable operating environment in terms of system voltage, power factor, and circuit configuration. In simple terms, KCPL's automation and communication provide "constant" inspections of the systems they monitor.

Specific automation programs include (a) the underground network automation project, (b) the 50CO relay automation project, (c) the 34-kV switching device automation and fault indication project, (d) the rural power quality monitor project, (e) the "integrated circuit of the future" project, (f) the dynamic voltage control project, and (g) capacitor automation. These programs enable automated fault detection, isolation, and reconfiguration of the distribution network to improve reliability and minimize outage duration as well as improving system efficiencies.

E. Conclusions Concerning the Infrastructure Rule

21. As currently proposed, the Infrastructure Rule would impose a significant financial burden on KCPL, and ultimately its customers. Significantly, it is not clear that the proposed rule will improve reliability. Moving forward, KCPL's recommendation would be to collaborate with the Commission, Commission staff, customers, other interested parties, and legislators to better assess the value of infrastructure programs. An upfront investment in new technologies has the potential to reap long-term benefit over simply employing more manpower. This integration of new infrastructure strategies and programs should not be viewed as something extra; they should be integrated with existing programs in order to optimize maintenance, reliability and cost. In the longer term, the integration of smarter grid technologies should not only be for achieving higher reliability, but also for building an infrastructure that supports real-time energy automation. Management of a "smart" grid will significantly improve infrastructure efficiency as well as reliability.

II. VEGETATION MANAGEMENT RULE COMMENTS

A. Review of the Proposed Vegetation Management Rule

22. The proposed rule, as currently drafted, would impose a significant financial burden on KCPL and ultimately its customers. Further, KCPL cannot confidently state that the rule will result in an appreciable increase in reliability. Details of each of KCPL's concerns, with reasons for the concerns, implementation cost, and ideas for possible alternative language are provided in a study of the Vegetation Management Rule prepared by Environmental Consultants, Inc. ("ECI"), which is attached hereto as Appendix A.

B. Alternative Rule Framework

Distribution

23. Programs should be tailored to meet specific system needs, as well as provide flexibility to allow adaptation. Instead of mandating cyclical vegetation management cycles, as contemplated in the proposed rule, KCPL suggests that the Commission use reliability indices based on historical trend analysis. KCPL further suggests using a systematic preventive maintenance approach focused on maintaining high reliability while controlling costs. The long-term preventive maintenance strategy should be based on outage risk and customer impact. Reliability-based trimming means that work is planned based on risk and importance of specific lines, rather than using the same cycle for trees on all lines.

24. Identifying and using industry best-practices is also important. Many of the best practices that should be implemented are right out of the proposed rules including: Proper pruning techniques implemented (ANSI A-300), appropriate maintenance cycle based on tree re-growth rates, and clearance guidelines established just to name a few.

25. KCPL believes customer satisfaction is another critical measure of success. One component of the KCPL program is that customers are notified in advance of tree maintenance and there is follow-up communication to answer questions and resolve problems before crews arrive.

26. The following are a few examples to illustrate the types of changes KCPL suggests. These sections of the rule were chosen because of their forecast cost expectations as well as their potential to adversely impact customer relations.

27. The first example is the tree removal requirement in Section 2.I., which drives the majority of KCPL's forecast cost expectations. Alternative language is provided on page 13 of Appendix A. Another primary driver concerns brush removal following storm restoration and can be found in Section 4.G. of the proposed rule. Alternative language is provided on page 20 of Appendix A.

28. The proposed Vegetation Management Rule was obviously well researched. However, as written, the rule is too prescriptive in nature. KCPL believes a reliability-focused approach will serve the interest of stakeholders more effectively and effectively.

Transmission

29. As a result of the Energy Policy Act of 2005 and the resulting regulatory authority given to the Federal Energy Regulatory Commission ("FERC") over the reliability of the bulk power system, North American Electric Reliability Corporation ("NERC") established standards governing the vegetation management requirements for all transmission owners. NERC Standard FAC-003-1 Transmission Vegetation Management Program, which is attached hereto as Appendix B, includes a number of specific, measurable, and enforceable requirements all utilities must meet in order to maintain mandatory compliance. Definitions for inspection

schedules, establishment of vegetation clearances, trimming cycles, records and documentation are all addressed within the standard. KCPL believes that one key goal of a transmission program should be to minimize duplication and conflict within the standards governing the program.

C. KCPL's Concerns with the Proposed Vegetation Management Rule

30. Although KCPL's understands and supports what the Commission seeks to accomplish by proposing the Vegetation Management Rule, *i.e.*, increase reliability by reducing vegetation-related outages, KCPL is concerned that portions of the proposed rule would impose unreasonable requirements and costs without necessarily having an appreciable impact on reliability. The areas of the proposed rule that cause the greatest concerns include tree removal, brush disposal, achieving the initial schedule, and proposed clearance requirements.

Cost

31. The fiscal note published in the Missouri Register estimates the cost of compliance with the proposed rule at over $364 million in the first year and nearly $288.5 million per year thereafter. Actual costs could well exceed these estimates. These costs appear to have been subject to limited or no analysis of reliability or safety benefits likely to be derived from the expenditure.

Claims and Litigation

32. The proposed rule obligates utilities to remedy any condition wherein a tree may fall into an energized conductor or guy. Failure to do so could place a utility in a position of non-compliance with the rule and create an opportunity for all manner of negligence claims and litigation against a utility whenever a tree that "may fall into an energized conductor" fails and causes personal injury or property damage. To protect themselves, utilities would need to

diligently document every tree and the action taken to attempt to remove trees that are a "potential safety concern". KCPL anticipates significant litigation directed against utilities and their contractors.

33. Compliance with clearances to be maintained at all times that are well beyond the design and historic maintenance practices of Missouri utilities could also lead to claims by property owners whose trees would be affected by the drastic change in standards. The potentially adverse impact on customer relations should not be underestimated.

Storm Brush Removal

34. The proposed rule includes language that appears to require a new and unprecedented obligation to remove any vegetation that was cut as a result of a major event, following the conclusion of the major event. Major and minor storms often result in failures of thousands of trees. Some of these trees, generally located on privately owned-property, fall onto overhead electrical facilities, and are cut to restore service. Most trees that fail in storms do not impact electrical facilities. The cost of disposal of tree debris following storms is great and in many cases is paid for by State or Federal emergency funds. Utility companies do not own the trees that fail during storms. It does not seem reasonable that those companies be obligated to clean up the property of private landowners whose trees fall across utility facilities.

Labor Resources

35. Taken as a whole, the proposed rule will require electric corporations to accomplish an unprecedented level of inspection, tree pruning and tree removal work, and do so over a short timeframe. One of the biggest concerns is labor. There does not appear to be sufficient qualified, skilled labor available to accomplish this work within the schedule defined in the rule.

Customer Relations

36. Several provisions of the proposed rule will require utilities to aggressively seek removal of trees that may fall onto either transmission or distribution lines and dramatically increase clearances in order to maintain up to 10 feet of clearance at all times for distribution lines and up to 25 feet for transmission voltages. These are radical changes from current practice and would have a significant impact on both urban and rural forest resources and community aesthetics throughout Missouri.

Regulatory

37. Vegetation management standards applicable to the bulk transmission system have been established by the NERC and approved by the FERC under the U.S. Energy Policy Act of 2005. These standards, applicable to all 200 kV and higher transmission line voltages and certain critical lines operating at voltages below 200 kV, have been developed through a long, deliberate and inclusive process involving a broad constituency. The proposed Missouri operational standards for transmission vegetation management may conflict with current or future NERC standards and could create confusion. NERC standards include actively audited measures and financial penalties for non-compliance. In this case, another tier of regulations is unnecessary.

D. Summary of Cost Drivers

38. Below is a summary of the primary cost drivers associated with the proposed rule. These costs represent the areas of greatest impact for added cost. These numbers do not, however, represent all possible cost increases required to meet the proposed rules. See Appendix A for all cost and associated assumptions.

Proposed Rule	Issue Description	Initial Annual Adder	Ongoing Annual Adder	Detailed Response Page
Purpose and Scope	Insurance and Legal Fees	$1,050,000	$1,050,000	2 to 3

General Provisions - 2.I.	Tree Removal	$34,670,000	$34,650,000	12 to 13
Technical Standards - 4.G.	Disposal of Trimmings	$3,010,000	$3,000,000	19 to 20
Transmission - 5	Tree Removal	$6,850,000	$ ---	22
Training & Record 6.A.	Training Records	$15,000	$10,000	25
Training & Record 6.D.	Annual Report	$25,000	$20,000	26 to 27
Public Notification 7.D.	Notification Timing	$20,000	$10,000	28
Specific Requirements - 10	Clearances	$6,020,000	$6,000,000	34
Totals		$51,660,000	$44,740,000	

E. KCPL Vegetation Management Program Summary

39. KCPL has separate programs for transmission and distribution vegetation management. Transmission vegetation management includes responsibility for approximately 1,200 miles of line at 69kV and above with associated activities directed under the transmission construction and maintenance department. Accountability for compliance with FERC/NERC/NESC/public safety and other regulatory bodies is being met within the transmission division. The distribution vegetation management program includes all activity associated with approximately 8,500 miles of line 34.5kV and below with activities directed under the Customer Operations division of the company.

Distribution Program Cornerstones

40. The distribution program is based on a set of clearly defined strategies, specifications, and guidelines using a systematic preventive maintenance approach focused on maintaining high reliability while controlling costs. The program is centered on the three strategic cornerstones of (i) focusing on reliability and not just trimming trees, (ii) implementing industry best practices, and (iii) maintaining contractor competition.

41. Our long-term preventive maintenance strategy is based on outage risk and customer impact where we utilize a two-year backbone patrol and selective maintenance schedule, a four-year Metro backbone schedule and five-year Metro lateral / rural schedule. The reliability-based trimming means that work is planned based on risk and importance of specific

lines, rather than using the same cycle for trees on all lines and results in a more dynamic approach to scheduling including incorporation of worst performing circuits and laterals as part of the scheduling criteria. Excluding major events, tree-related reliability has improved nearly 10% since implementing new program strategies, while at the same time costs have been reduced over 20%.

Cost Drivers

42. KCPL operates its program on the expectation that proactive contractor management will improve efficiency and drive out cost. This is accomplished first by contracting with a vegetation management specialist, ECI to manage the program including overall line clearance strategy, on-site program supervision, scheduling, administration, and record-keeping where the ECI employees typically consist of degreed foresters and/or ISA Certified Arborist. Secondly, KCPL uses performance-based contracting and regular performance evaluations with two line clearance contractors who are provided comprehensive specifications with species-specific clearance guidelines. This approach assists in ensuring competition and keeps costs in check.

43. KCPL's distribution vegetation management program production costs are driven primarily by tree accessibility and density. The metro tree workload has 65% of the tress inaccessible to bucket trucks whereas the industry average is 27%. Inaccessible work requires manual crews and costs 30-40% more than bucket work. KCPL's metro area tree density is 115 trees per mile and the rural area is 35 trees per mile as compared to the average Missouri utility at 100 trees per mile or the industry average number of 80 trees per mile. Tree density is defined as trees requiring maintenance per line mile.

Safety

44. Safety is vital and a critical element of the program. Every vegetation management meeting begins with a safety topic and standard daily tailgate sessions are performed in the field. Furthermore, KCPL and ECI receive monthly OSHA reports from each tree contractor. In the event an accident does occur the offending contractor conducts an accident investigation and performs root cause analysis on all OSHA recordables. Formal results from the tree contractor are shared with ECI who creates a safety message for the other contractor and each will schedule appropriate training to reduce chances of repetitive occurrence.

Industry Best Practices

45. Identifying and using industry best-practices is another important key to our program. The following are several of the best practices that KCPL has already been implemented:

- Strategic plan built specifically for the vegetation management program, addressing both long and short-term goals;
- Workload data for budget forecasting, allocation of crew resources and development of management tactics;
- Staff consisting of degreed foresters and/or ISA Certified Arborists;
- Appropriate maintenance cycle based on tree re-growth rates, clearance and reliability metrics;
- Prescriptive work selection in advance of crews;
- Clearance guidelines established;
- Tree selectivity based on individual tree outage risk;
- Tree removal criteria established;
- Initiated foliar and cut stump herbicide program;

- Brush control techniques varied and appropriate to conditions;
- Mechanical Equipment (Jarraff mechanical trimmers & brush mowers); and
- Proper pruning techniques implemented (ANSI A-300).

Customer Satisfaction

46. Customer satisfaction is a key part of KCPL's tree trimming program. As a result, KCPL experiences customer satisfaction survey results that average over 90% satisfaction with line clearance tree maintenance. One critical point to success in this area is that customers are notified in advance of tree maintenance and there is follow-up communication to answer questions and resolve problems before crews arrive. There are a number of other key points to the success experienced in this area which are as follows:

- Written permission for all removals over 4" in diameter;
- Vegetation Management representatives provide plant pest and disease diagnosis, as well as solutions to homeowners;
- Tree replacement program on valued landscape trees; and
- Customer-Assisted Removal for off cycle trees.

Community Focus

47. The program also includes a strong community focus. This area very likely has a positive impact on customer satisfaction as well; however, KCPL believes community focus warrants its own consideration. Following are examples of actions KCPL has taken around the community:

- Development of an Utility Arboretum in Shawnee, Kansas;
- Issued a new and more comprehensive "The Right Tree in the Right Place" booklet in March 2007;

- Community tree plantings - Arbor Day and Earth Day plus other events in tandem with local agencies such as Heartland Tree Alliance, Missouri Department of Conservation and Kansas Forest Service;
- Distribution of wood chips; and
- Tree Replacement Program
  - About 10% of all trees addressed by the vegetation management program each year are removed. The vast majority of which are not of landscape quality (homeowner planted), but were propagated naturally.
  - KCPL's tree replacement program secures 'hard-to-get' removals of landscaped trees. Including customers being offered tree replacement vouchers for local nurseries up to $250.

F. Summary of KCPL's Vegetation Management Program

Distribution

48. The current program based on the three strategic cornerstones of focusing on reliability and not just trimming tree, implementing of industry best practices, and maintaining contractor competition appear to be sound. Continued focus on the search for best practices is expected to enable ongoing productivity improvements. The key indicating success of the program thus far is readily evident in KCPL's reliability due to tree-caused outages being improved nearly 10% over the most recent four-year period while at the same time reducing over 20% of the costs out of the program as compared to the 2000/2001 time period.

Transmission

49. As a result of the Energy Policy Act of 2005 and the resulting regulatory authority given to FERC over the reliability of the bulk power system, NERC established standards

governing the vegetation management requirements for all transmission owners. NERC Standard FAC-003-1 Transmission Vegetation Management Program (Appendix B hereto) includes a number of specific, measurable and enforceable requirements all utilities must meet in order to maintain mandatory compliance. KCPL has enhanced it's transmission vegetation management program in order to meet all obligations covered within the NERC vegetation management program standard and will continue to maintain it's compliance to this standard.

50. KCPL also participates on the NERC Standard Drafting Team currently working to further develop the Transmission Vegetation Management Program standards for meeting certain future reliability and enforcement challenges of the industry.

G. Conclusions Concerning the Proposed Vegetation Rule

51. The proposed rules, as presently drafted, will impose a significant financial burden on KCPL and ultimately its customers. It is not clear that the rule will result in appreciable reliability improvements. KCPL has provided ideas for possible alternative language. See Appendix A.

52. In consideration of the above, KCPL recommends that the Commission pursue a collaborative approach to better assess the requirements of a vegetation management program. The goal of the collaborative process should be to develop rules and/or guidelines that optimize reliability, control cost, and consider the impact on customer satisfaction to effectively balance meeting the needs of all stakeholders.

III. CONCLUSION

KCPL respectfully requests that the Commission consider the foregoing 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,

By: */s/ Curtis D. Blanc*

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Appendix A: Environmental Consultants, Inc. Review of Proposed Vegetation Management Rules and Impact on KCPL

Appendix B: NERC Standard FAC-003-1 Transmission Vegetation Management Program

Dated: August 15, 2007

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 15th day of August, 2007 upon each party to this proceeding.

By: */s/ Curtis D. Blanc*
Curtis D. Blanc