



Association of Missouri Electric Cooperatives

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December 15, 2003

The Missouri Public Service Commission
Mr. Dale Hardy Roberts, Secretary of the Commission
P. O. Box 360
Jefferson City, MO 65102

FILED

DEC 17 2003

**Missouri Public
Service Commission**

RE: PSC Case No. EX-2003-0489

Dear Mr. Roberts,

Please find attached, the unanimous resolution of our Board of Directors directing the Association of Missouri Electric Cooperatives (AMEC) to oppose the Public Service Commission's proposed amendment to 4 CSR 240-3.190 [Electric Utility] Reporting Requirements for Electric Utilities and Rural Electric Cooperatives.

The Association of Missouri Electric Cooperatives represents all electric cooperatives in Missouri. AMEC opposes this proposed amendment for the same reasons as contained in comments filed with the Commission by our members. AMEC believes that the benefits to be gained by the proposed rule change do not justify the costs in complying with the new regulations.

We ask the Commission to strongly consider rescinding the proposed amendment.

Also attached to this letter are comments from Intercounty Electric Cooperative. Their comments were mailed to the commission with the wrong case number. **Please file Intercounty's comments with our comments under Case No. EX-2003-0489.**

Thank you.

Sincerely,

Jerry Divin
President of the Board
Association of Missouri Electric Cooperatives

/sg

Attachments (2)

Serving 500,000 Missouri homes, farms, industries and institutions.

**Training and
Development
Committee Report**

Lee Binley was called on for the Training and Development Committee Report. Lee reported the Committee met yesterday. He reported that he was reelected Chairman. The meeting focused on a Missouri Public Service Commission proposed rule on incident reporting requirements. Mr. Jim Ketter from the Public Service Commission appeared before the Committee to discuss the rule. The proposed rule would require every electric utility and rural electric cooperative to report to the Commission a brief description in a certain time frame of any accident resulting from contact with its energized electrical supply facilities that result in a fatality, admission to a hospital, ten thousand dollars in damages to the property of the utility or others, or any other accident considered significant by the utility. Chairman Binley reported the Committee adopted a resolution to oppose the rule. He reported that comments must be filed with the Commission by December 17 and asked that systems file comments opposing the rule. Discussion followed. Motion was duly made, seconded, and approved:

**Resolution Opposing
PSC Rule**

RESOLVED, That the Association Board of Directors goes on record opposing the Proposed Missouri Public Service Rule on Incident Reporting Requirements as presented.



Intercounty Electric Cooperative Association

Your Touchstone Energy* Cooperative



December 9, 2003

Mr. Dale Hardy Roberts
Secretary of the Commission
MISSOURI PUBLIC SERVICE COMMISSION
P.O. BOX 360
Jefferson City, Missouri 65102

RE: PSC CASE NO. EX-2003-0368

Dear Mr. Roberts:

Earlier this year, several of my staff attended a safety meeting conducted by the electric staff of the Public Service Commission. When they returned I was informed that the staff was considering an addition to the reporting requirements for "contact type" of incidents. At the AMEC Board meeting this past week, it appears the PSC staff is going forward with this proposed change. A copy of the proposed amendment is attached.

Unfortunately the Cooperative has experienced contact accidents in the past. I can assure you that it appears, at first blush, that part of the reporting requirements in the amendment appear to be fairly benign. However, I can also assure you that the amendment includes additional requirements that are not workable as they stand for the following reasons:

1. First and foremost, the notice of the rule contains a financial note indicating the rule will not cost state agencies or political subdivisions more than \$500 in the aggregate and will not cost private entities more than \$500 in the aggregate.

This statement does not consider the costs currently experienced for response, repair and investigation of these incidents. For example, the last "energized contact" we had was a large dump truck that drove into a primary line with the bed elevated. The admin/field investigation time alone was over 60 hours. Assuming a corporate flat rate of \$30/hour not including reporting time, follow-up field work, insurance paper work, accident reports, repairs to our system, etc. would result in a \$1,800 expenditure on by the cooperative. The addition of another layer of bureaucracy would, in my opinion, escalate these costs without any definable benefit for incidents of this type.

2. In the accident noted above the dump truck was destroyed. My people are not experts in appraising the values of non-electric property. If I had to report the accident under the proposed change I would probably estimate the costs of the entire accident at \$9,999 or less.
3. The PSC staff has advanced no reasonable rationale for using the information to be reported that does not duplicate activities that are already being performed by other existing parties, governing bodies or regulatory agencies.

One of the reasons put forth for the change was to track accidents for possible trends and for general notification of the staff. I would suggest a better alternative would be for the cooperatives to

copy the staff on any accident reported to OSHA, or MDOT, etc. This would allow the Commission to be made aware of incidents of this type without creating the requirement for the duplication of efforts we currently perform.

4. The PSC has already adopted the National Electric Safety Code as Missouri law. In addition, cooperatives are regulated by RUS, required by insurers to meet safety requirements, and cooperative engineers are required to inspect the electric systems for potential safety issues. Furthermore, many cooperatives participate in NRECA's safety accreditation program and all participate in the Missouri Electric Cooperative Insurance Plan safety audits. The information requested to be reported will not be used to improve any of these safety programs.
5. The information reported could be used in litigation against cooperatives to enhance damage claims. The new requirements are an added cost and potential tool to be used against cooperatives with no obvious benefits of any kind.
6. The time requirements of the rule are unrealistic and will cause limited cooperative resources to be drawn away from repair and remedy and instead be devoted to meaningless reporting.

Using the accident previously noted, our initial response was to make sure the public was not in any danger and to clear the accident scene. Initially there was only one serviceman at the scene and an accident investigation team was unable to get to the accident until well after dark. We would not have been able to report anything that had substantive value until well after the 24 hour window had expired.

7. The phrase "contact with its energized electrical supply facilities" could be "legally" interpreted to cover just about any facility operated or controlled by the cooperative.

For example, does it cover a pad-mount transformer bumped by someone parking their car, cutting the service wires and destroying the transformer and/or car?

Another accident was when a farmer knocked down a security light pole which set fire to a hay barn. In neither of these incidents was anyone injured or in direct contact with the electrical portion of the system. However, in reading the amendment we could be held responsible to the reporting requirements in the amendment.

On behalf of Intercounty, for the reasons noted above, I want to express our opposition to the proposal as it stands.

Sincerely,

Vernon W. Strickland

Vernon W. Strickland
General Manager

Attachment

Title 4 – DEPARTMENT OF ECONOMIC DEVELOPMENT
Division 240 – Public Service Commission
Chapter 3 – Filing and Reporting Requirements

PROPOSED AMENDMENT

4 CSR 240-3.190 Reporting Requirements for Electric Utilities and Rural Electric Cooperatives. The commission is proposing to amend the purpose section and sections (1), (2), (3) and (4) of the rule, add a new section (4) and renumber sections (4), (5), (6), (7) and (8) accordingly.

PURPOSE: This rule prescribes requirements and procedures for the reporting of certain events by [electrical corporations] electric utilities to the [Public Service C]commission to inform the commission of developments which may affect the rendering of safe and adequate service and to enable the commission to thoroughly and fairly investigate certain events, which may have an impact in future electric rate proceedings at the time and in the context in which those events occur. This rule also includes electrical facilities incident reporting requirements for electric cooperatives.

- (1) (Power Plant data)
- (2) (Submit in electronic format)
- (3) (Power Plant incidents)

(4) Every electric utility and rural electric cooperative shall report to the manager of the Energy Department of the commission or his/her designee, by telephone or through EFIS, a brief description of an accident by the end of the first business day following the discovery of any accident resulting from contact with its energized electrical supply facilities which results in the fatality of an employee or other person, admission to a hospital, ten thousand dollars (\$10,000) in damages to the property of the utility or others or any other accident considered significant by the utility. The electric utility or rural electric cooperative shall submit, either by mail or through EFIS within five (5) business days following the discovery, an update of the incident and any details not available at the time of the initial report.

Bold - new language proposed

[] - words within brackets to be deleted