



March 5, 2010

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Missouri Public Service Commission
Attention: Steven C. Reed,
Secretary of the Commission
P.O. Box 360
Jefferson City, MO 65102

RE: PSC Case No. EX-2010-0122

Mr. Reed:

Please accept this letter as The Empire District Electric Company's (Empire's) comments concerning the proposed Reporting Requirements for Electric Utilities and Rural Electric Cooperatives (4 CSR 240-3.190), as published in the *Missouri Register*, dated February 1, 2010.

The Missouri Public Service Commission (Commission), Missouri public utilities and Missouri's citizens all have a vested interest in the provision of safe, reliable, and economical power supply. Empire has concerns about the proposed modifications to the existing rule which will ultimately involve additional and potentially unnecessary reporting requirements that will unnecessarily raise costs for consumers.

Empire fully agrees it is important to report such incidents per 4 CSR 240-3.190, but the ninety (90) day window for submission of a final report(s) seems aggressive. Empire would suggest not placing a finite timeframe on final reporting of such incidents as each individual incident, and as such each report, will vary widely. The intent of the rulemaking should be to thoroughly investigate each applicable incident and report a utility's findings in a timely manner. This process could include a 90 day status report requirement if final resolution of an incident is not complete.

The dollar limit of two hundred thousand (\$200,000) on property damage coupled with the new reporting requirements could lead to unnecessary costs. Minor maintenance activities at power production facilities can and often do result in expenses that are in excess of the proposed \$200,000 limit (depending on how "property damage" is defined). Such a low limit will likely result in undue reporting requirements and unnecessary expenses for the customer.

The proposed modifications deletes in part 3 (C) the language which placed emphasis on reporting forced outages based upon the percentage of a utility's accredited generation capacity. This

language was replaced with the loss of a generating unit with an accredited capacity of greater than one hundred megawatts. This section also increases the reporting burden for Empire since the current rule requires reporting of the force outage of generation units which constitutes 20% of the electric utilities accredited capacity. For Empire, in 2010 we would be required to report outages for a unit of 262 MW or higher based on accredited capacity of 1,313 MW under the existing rule. Only a loss of the entire State Line Combined Cycle generating station would result in Empire reporting under the existing rule. Under the proposed rule, Empire would be required to report forced outages on up to 7 units. Furthermore, per 4CSR240-3.180, Empire currently submits all outages on a monthly basis, regardless of size, type or duration, via EFIS for several Parties to view. Empire believes the current requirements are adequate and further reporting places unneeded burden on the customers.

There also seems to be a formatting error in Section 3 because part (B) is missing.

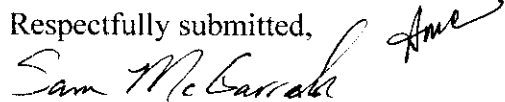
The proposed modification of part 4 (B) has a statement which attempts to define a geographic area for reporting accidents. The statement "within areas where it supplies power or operates energized electrical supply facilities" does not provide a defined geographic limit on a utility's responsibility for reporting accidents.

Part 4 (B) also requires the reporting of an event that occurred due to an issue on the customer side of the meter. If Empire is notified of an event from an issue on the customer's side of the meter, it can be difficult to get the comprehensive information required to be reported. Empire has concerns that in an effort to collect information on such an accident on the customers side of the meter, that Empire's interest will be misconstrued as potential fault in the event.

Section 5 requires an investigation be completed by the utility on all electrical injuries requiring hospitalization within a geographic area extending to the ends of the utility's electrical facilities. Again, customers are not required to inform Empire of events on the customer side of the meter. We also jointly serve many geographic areas with municipal and cooperative utilities. The rule should be specific as to which utility within a geographic area is required to report. This requirement is burdensome not only due to the reporting, but also, due the time required to complete an investigation of each event.

Empire and the Commission have a vested interest in providing safe, reliable, and economical power supply to our customers. We urge the Commission to balance the benefits gained from the additional reporting requirements versus the additional compliance costs that the customers will ultimately have to shoulder.

Respectfully submitted,



Sam McGarrah

SSM:amc