

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

In the Matter of a Proposed Rulemaking)	
Regarding Revision of the Commission's)	Case No. EX-2010-0254
Chapter 22 Electric Utility Resource)	
Planning Rules)	

**COMMENTS OF
THE EMPIRE DISTRICT ELECTRIC COMPANY**

COMES NOW The Empire District Electric Company ("Empire") and hereby states the following as its comments concerning the Missouri Public Service Commission's ("Commission") Proposed Amendment to 4 CSR 240-22.010-080:

1. Empire actively participated in all of the workshops in case EW-2009-0412 regarding the Chapter 22 Electric Utility Resource Planning Revisions. These rules are often referred to as the Integrated Resource Planning Rules ("IRP" or "IRP Rules"). Additionally, Empire responded to two sets of Staff questions, filed comments in the case and made presentations before the Commission on August 31, 2009, and on January 25, 2010.

2. Empire agrees that the existing IRP Rules need to be revised as the current rules are outdated. In recent IRP filings before the Commission under the existing rules, Empire has requested and been granted waivers from some of the provisions in the existing rule. This waiver process has added additional steps to an IRP process that is already cumbersome and extensive. At least some of these steps would not be necessary with updates to the rules.

3. However, the Commission's proposed amendments to the IRP rules do not coincide with Empire's vision of updating. When the IRP rules revision process began in May 2009, Empire had envisioned the development of a new IRP rule based on a fresh start that addressed the concerns of the varied stakeholders. Instead, the revision process was immediately

inhibited by a process that started with the outdated IRP rule and proceeded to add more prescriptive steps to a set of existing IRP rules that were already among the most prescriptive and complex in the United States. In general, as Empire has stated throughout the IRP workshop process, the new IRP rules that come out of this process should be less prescriptive than the existing IRP rule. Doing so would provide a rule that is more result or goal oriented rather than focused on a set of detailed instructions on how to prepare the myriad of analyses that are part of the process.

4. The new IRP rule should be streamlined to focus on the most important steps in the planning process, eliminate unnecessary side analyses and focus on the preferred expansion plan(s) that result from the planning process. The Proposed Amendment to the IRP rule does not accomplish any of these goals.

5. The new IRP rule should be flexible and recognize the differences in the electric utilities that operate in Missouri. The language in the new IRP rule should be less complex, easier to understand and eliminate redundancy. The overall focus should be on the outcome rather than focus on the process checklist. The Proposed Amendment to the IRP rule does not move in this direction. As currently published, it moves in the opposite direction, overwhelmingly focused on process with little, if any, focus on the expansion plan itself and its implementation.

6. During the workshop process, IRP rules from other states were discussed. Empire made a presentation pointing out that the existing Missouri IRP rule is much longer and more complex than the IRP rules used in the states of Arkansas and Oklahoma where Empire also provides electric service. By this comparison, Empire is not suggesting that the Missouri IRP

rules should be just like IRP rules in other states. Rather, Empire is suggesting that the dramatic differences in the IRP rule illustrate the arduous nature of the Missouri IRP rules.

7. Based on a review of the Proposed Amendment to the IRP rules that was published in the *Missouri Register* on December 1, 2010, it appears that none of the more significant goals Empire had envisioned when the process started were satisfied by the published rule. While there may be some improvements in the proposed rule, the main result of the new IRP rule is a significant expansion of the IRP process checklist. As a result, future IRP compliance costs will increase, the opportunities for claims of process deficiencies will only grow and process will be emphasized at the expense of planning.

8. Empire supported the draft IRP rule introduced by the Missouri Energy Development Association (“MEDA”) during the IRP rule revision workshop process. Empire supported this rule because it was a fresh start that resulted in a more flexible and less prescriptive IRP process and focused on the outcome of the IRP, rather than the process used. The proposed IRP rule that was published in the *Missouri Register* primarily expands the “checklist” and still retains its primary focus on the process, rather than the resulting resource plan(s).

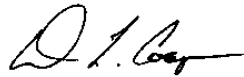
9. In summary, MEDA’s recommended IRP rule is more flexible and enables the electric utility to focus on fewer, but more critical, issues during the planning process and not become ensnared in the process itself. The IRP outcome—the resource expansion plan, the resource acquisition strategy and the set of contingency plans—should be the focal point, not each individual process requirement in a long and complicated IRP rule. In the published IRP rule, compliance will primarily be defined by satisfying a list of process deficiencies that are pointed out by the various stakeholders, just like it is under the existing IRP rule. Given the

expansion of the IRP “checklist” in the published rule, the number of process deficiency issues can only be expected to increase.

10. Empire recommends that the recently published IRP rule be revised by the Commission to reflect more of the goals of the IRP rules that MEDA put forth during the IRP workshop process, with the focus of the IRP moved to the resource expansion plan and its implementation and away from its focus on an IRP process “checklist”.

WHEREFORE, Empire respectfully requests that the Commission consider these comments and issue such orders as it should find to be reasonable and just.

Respectfully submitted,



Dean L. Cooper Mo. Bar 36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Telephone: (573) 635-7166
Facsimile: (573) 635-0427
dcooper@brydonlaw.com

ATTORNEYS FOR THE EMPIRE DISTRICT
ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 3rd day of January, 2011, to:

Kevin Thompson
Missouri Public Service Commission
Governor Office Building
200 Madison Street
P.O. Box 360
Jefferson City, Missouri 65102
kevin.thompson@psc.mo.gov

Lewis Mills
Governor Office Building
200 Madison Street
P.O. Box 7800
Jefferson City, Missouri 65102
lewis.mills@ded.mo.gov

