

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

In the Matter of Proposed Rule)	
4 CSR 240-23.010, Establishing Reliability)	Case No. EX-2008-0230
Standards for Investor-Owned)	
Electrical Corporations)	

**COMMENTS OF KANSAS CITY POWER & LIGHT COMPANY
TO PROPOSED RELIABILITY STANDARDS RULES**

Kansas City Power & Light Company (“KCPL”) hereby submits its comments in response to the Proposed Rules published in the *Missouri Register* on February 15, 2008. The Missouri Public Service Commission (“Commission”) proposes 4 CSR 240-23.010, Electric Utility System Reliability Monitoring and Reporting Submission Requirements (“Reliability Rule”). KCPL respectfully requests that the Commission consider these comments prior to taking further steps to finalize the rules.

In support hereof, KCPL offers as follows:

1. As a result of the power outages associated with a series of severe wind and ice storms and general concerns regarding day-to-day service reliability, the Commission held public hearings, conducted investigations, initiated rulemaking, published draft rules, held rulemaking hearings, and adopted rules 4 CSR 240-23.020 Electrical Corporation Infrastructure Standards (“Infrastructure Rule”) in Case No. EX-2008-0231, and 4 CSR 240-23.030 Electrical Corporation Vegetation Management Standards and Reporting Requirements (“Vegetation Rule”) in Case No. EX-2008-0232.

General Comments

2. The Reliability Rule is reasonable. It provides for monitoring of reliability performance and compliments the previously adopted Infrastructure Rule and Vegetation Rule.

The Reliability Rule establishes a consistent platform for all Missouri electric utilities in the reporting and monitoring of reliability metrics. Establishing common metrics and uniform methods of calculation are critical for monitoring reliability performance. This uniformity allows for consistent year-to-year trending and comparisons between utilities. Also, the fact that the Commission will incorporate into the rule the only national electric utility reliability standard, IEEE 1366-2003, creates an opportunity for broader comparisons across the industry as additional utilities consistently comply with this standard. The reporting requirements will also enable the Commission and its Staff to monitor the utilities' compliance with the rule without the need to impose fines, penalties, or sanctions.

3. Trending should be distinguished from benchmarking. It would be premature to establish reliability benchmarks and performance standards until such time as IEEE 1366-2003 is implemented, and data collected State-wide. An extensive time-series trend of consistent performance metrics is required before any meaningful benchmarks or performance standards should ever be considered. Complicating any such analysis is consideration for statewide, nationwide, and year-to-year individual utility internal performance trends—all of which would need to be carefully and appropriately vetted in a collaborative rulemaking process. Further complicating any benchmarking effort is the blending of the unique characteristics of each utility and trying to factor those characteristics into the analysis. For example, characteristics can include the rural/metropolitan customer mix, geography, vegetation density, customer density, customer satisfaction ratings, system age, past reliability performance, and even recent weather trends. This exercise would be a highly complex and difficult task.

4. A program to address worst performing circuits is an important component of an overall asset management portfolio. KCPL believes the proposed rule's target of addressing 5%

of a utility's Missouri circuits is a reasonable objective. Increasing the target from 5% to 10% could double KCPL's cost to comply with the rule. Reporting under the proposed rule of the 5% Worst Performing Circuits is reasonable, and will yield the most cost-effective improvements in reliability for KCPL's customers.

**Comments and recommendations to clarify the language of the
following sections of the proposed Reliability Rule**

Section (1):

5. Comment: This section is vague as to scope and lacks clarity. The assumption is that all the metric reporting will be limited to distribution systems.

6. Recommendation: Insert the following language to clarify the intent of the calculations and terms, **"Index Definitions and Calculations shall be per IEEE Standard 1366-2003, subject to the exclusions listed in section (5)."**

Section (2):

7. Comment: The Infrastructure Rule reporting is due annually on July 1st.

8. Recommendation: The Commission should use the same date for reporting the Reliability Rule metrics.

Section (3):

9. Comment: The term "storms" is already included as a Major Event in the referenced IEEE 1366-2003 standard.

10. Recommendation: Delete the word "storm" from the second sentence.

Section (6):

11. Comment: Clarify scope of analysis.

12. Recommendation: Insert the word "distribution" in the second sentence, *i.e.*,
"...analyzing its worst performing **distribution** circuits during ..."

13. Comment: The term “storms” is already included as a Major Event in the referenced IEEE 1366-2003 standard.

14. Recommendation: Delete the word “storm” from the second to last sentence.

Section (8):

15. Comment: Clarify scope of worst performing circuit analysis.

16. Recommendation: Insert the words “root causes” into the last sentence, *i.e.*, “...or other local conditions, *root causes*, customer density and ...”

Section (9):

17. Comment: Reliability programs are, by their very nature, intended to maintain or improve system reliability.

18. Recommendation: Delete the word “Improvement” from the paragraph title.

19. Comment: Annual budgets are not always approved by the end of the previous calendar year. Completion of the previous year’s scope may affect the following year’s programs as well. Although 80% of the plan may be known by December 31st of the preceding year, the entire plan usually is developed after the beginning of the year.

20. Recommendation: Move the date for filing the summary report on reliability programs back by at least two months to the end of February.

21. Comment: The language is unclear as to whether the first report is due on December 31, 2009 and whether it will cover programs planned for execution in 2010.

22. Recommendation: Clarify the due date and content of the first summary report.

Section (10):

23. General Comment: There is no objection to the “spirit” of this provision. KCPL’s current practice offers residential subdivision developers the option of overhead or

underground service facilities. The developer bears additional costs associated with requesting underground service. KCPL does not anticipate changing this practice as a result of the adoption of the Reliability Rule except in the case a developer requests overhead service, KCPL will provide and maintain a record of the developer's request.

24. Comment: The rule lacks clarity. The intent of this section is to install facilities on the surface at grade level or below grade as opposed to overhead on poles, resulting in the primary, secondary and service cables to be below grade.

25. Recommendation: Change the end of the second sentence to read, "... subdivision distribution facilities underground, **or surface mounted so conductors and cables are underground.**"

KCPL offers correction to data in Fiscal Note – Private Cost as published in the Missouri Register

26. The private cost information was updated. The number of circuits in section IV should be increased from 420 circuits to 444 circuits with 5% equaling 23 circuits. As a result, the estimated annual cost for KCPL is increased from \$1,156,000 to \$1,227,000 in Sections II and III. These changes have negligible effect on the first year implementation cost estimate.

Conclusion

27. The Commission has recently adopted an Infrastructure Rule and Vegetation Rule. These rules reasonably balance the cost of these programs against the likely service quality improvements they will yield. It is appropriate that the Commission adopt a reliability reporting rule that provides for thorough monitoring of the main objective of these two previously adopted rules, which is maintaining or improving service reliability. It is also appropriate that the Commission require that electric corporations track their worst performing circuits and provide thorough reporting of what is being done to address these trouble spots.

28. KCPL does not believe the changes suggested herein are substantive changes to the Reliability Rule as published as a proposed rule in the Missouri Register on February 15, 2008. Rather the suggested changes are meant to clarify and improve certain language in the rule. The Company commends the Commission's collaborative process that resulted in this draft rule yielding a reasonable and balanced rule, and appreciates the opportunity to supply comments at this time.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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