

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

In the Matter of the Empire District Electric	)	
Company's Infrastructure Standards	)	
Compliance Plan Pursuant to	)	Case No. EO-2018-0402
4 CSR 240-23.020(3)	)	

**COMMENTS IN RESPONSE TO THE EMPIRE DISTRICT ELECTRIC COMPANY'S
REFILED 2017 RELIABILITY COMPLIANCE REPORT**

COMES NOW, the Office of the Public Counsel (OPC), by and through counsel, and states as follows:

1. In its initial 2017 Reliability Compliance Report filed on June 29, 2018, Empire District Electric Company (Empire) disclosed that it failed to inspect numerous underground distribution structures and overhead transmission structures and equipment during the 2017 calendar year. Empire explained that a full transmission detail inspection could not occur because of "budget constraints" and that Empire "plans to resume detail inspections in the future."

2. The OPC commented that Empire's recovery plan was insufficiently vague, and that budget constraints should never be the basis for failing to complete inspections as Missouri Public Service Commission (Commission) Rule 4 CSR 240-23.020(4) enables full recovery of expenses associated with inspection compliance.

3. On July 11, 2018, the Commission directed Empire to respond to the OPC's concerns and to justify why Empire's initial 2017 Reliability Compliance Report was designated as confidential.

4. Empire responded by filing an amended 2017 Reliability Compliance Report on August 1, 2018. The amended Report was filed as a public document. New language was added in the "Transmission" section along with a newly included data table therein. Empire stated in their

initial Report that Empire did not perform transmission detail inspections in 2017 due to “budget constraints.” Empire’s amended Report provides that “Empire did not perform transmission detail inspections in 2017”, and Empire then asserts that its three-year transmission detail inspection cycle ensures compliance while maintaining discretion as to when costs may be incurred to comply with the requisite six-year cycle. The newly included data table asserts that the 5,380 overlooked poles and switches as part of Empire’s detail inspection will be completed by the end of calendar year 2018.

5. The OPC still does not believe that a reliance on the budgetary flexibility of a three-year cycle is sufficient justification for a failure to inspect. Commission Rule 4 CSR 240-23.020 was created by the Commission in response to significant storm-related outages and the noticeable inability to resume electric service in Missouri.¹ The OPC does not believe that the Commission’s concerns are properly addressed merely with an affirmative promise of future compliance without a foundation for why an electrical corporation’s financial disposition is such that it cannot inspect its facilities.

6. Furthermore, Commission Rule 4 CSR 240-23.020(3)(C) provides that inspection reports “shall also present the total number *and* percentage breakdown of equipment rated at each condition rating level, including that equipment determined to be in need of corrective action.” (Emphasis added) Empire’s amended Report does not contain percentages.

WHEREFORE, the OPC maintains its concerns and objects to Empire’s attestation of compliance with Commission Rule 4 CSR 240-23.020.

Respectfully,

OFFICE OF THE PUBLIC COUNSEL

¹ See *Dissenting Opinion of Commissioner Connie Murray*, EX-2007-0214 (April 12, 2007).

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 2nd day of August, 2018, with notice of the same being sent to all counsel of record.

/s/ Caleb Hall