

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

In the Matter of the Empire District Electric )  
Company's Application for Variance and )  
Clarification Concerning Select Provisions of )  
Commission Rules Related to Electric Utility )  
Resource Planning. )

Case No. EE-2008-0025

**STAFF'S RESPONSE TO EMPIRE'S REQUEST  
FOR VARIANCE AND CLARIFICATION**

Comes now the Staff of the Missouri Public Service Commission (Staff) in response to Empire District Electric Company's July 23, 2007 Application for Variance and Clarification.

**Variance**

The Staff states it has no objection to Empire's request for variances from those provisions of 4 CSR 240-22.030 and 4 CSR 240-22.050 described in Empire's Application. If the Commission grants the requested variances, the Staff recommends that the Commission make clear that this is a one-time authorization applicable solely to Empire and that the 4 CSR 240-Chapter 22 Rules themselves are not in any manner affected. The Staff's non-opposition is limited to this variance filing by Empire and should not be considered as concurrence or acquiescence regarding language that might be proposed in the future in a rulemaking to consider the 4 CSR 240-Chapter 22 Rules, or any other filing or proceeding that might occur respecting them.

**Clarification**

Empire also requests clarification regarding several selected provisions of the Commission's Electric Resource Planning Rules. Specifically, Empire requests

clarification regarding whether the use of subclass data is required in the forecast of load by 4 CSR 240-22.030 (1)(A)1, 4 CSR 240-22.030 (1)(A)(2) and 4 CSR 240-22.030 (2)(C). Staff agrees that these provisions of the Load Analysis and Forecasting Rule require a utility to consider subclass modeling but do not require the utility to actually perform subclass modeling. Empire must document its decision-making process regarding its treatment of subclasses in its load forecasting when it files its Electric Utility Resource Planning filing and, at that time, the Staff will review Empire's documentation to evaluate whether Empire's decision-making process was sufficient.

Likewise, Empire requested clarification regarding its transmission resource planning required by 4 CSR 240-22.040 (3), 4 CSR 240-22.040 (6) and 4 CSR 240-22.040 (7). Staff agrees circumstances have changed with regard to transmission that limit Empire's control of its transmission planning. These provisions of the Supply-side Resources Analysis Rule did not contemplate the more regional approach to transmission planning that is currently in effect. However, Empire will need to document its role in transmission planning for its service territory and will need to include estimates of transmission planning costs for the various supply-side options in its Electric Utility Resource Planning filing. At that time Staff will review the sufficiency of Empire's documentation regarding its transmission planning.

Respectfully submitted,

**/s/ Steven C. Reed**

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 20th day of August, 2007.

/s/ Steven C. Reed