

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

In the Matter of Empire District Electric )  
Company's 2010 Utility Resource Filing )  
Pursuant to CSR 240-22 )

**File No. EO-2011-0066**

**STAFF'S REPORT CONCERNING  
EMPIRE'S 2010 ELECTRIC UTILITY RESOURCE PLANNING COMPLIANCE FILING**

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), and submits its Report regarding the 2010 Chapter 22 Electric Utility Resource Planning Compliance Filing made by The Empire District Electric Company ("Empire"), pursuant to 4 CSR 240-22.080(5). In support thereof, Staff states as follows:

1. 4 CSR 240-22.080(5) provides that the Staff shall review each utility's compliance filing and shall file a report no later than 120 days after each utility's scheduled electric resource plan filing date that identifies, among other things, any deficiencies in the electric utility's compliance with the provisions of Chapter 22 of the Commission's rules.

2. The Staff *Report* (Highly Confidential and Non-Proprietary versions) accompanying this pleading, as Appendix A, identifies, among other things, the deficiencies and concerns Staff identified in the course of its limited review of Empire's 2010 Chapter 22 Compliance Filing.

3. Staff identified Empire's Compliance Filing to be deficient with respect to the following rules:

- 4 CSR 240-22.050 Demand-Side Resource Analysis
- 4 CSR 240-22.060 Integrated Resource Analysis
- 4 CSR 240-22.070 Risk Analysis and Strategy Selection

4. Staff identified Empire's Compliance Filing to be deficient with respect to the Missouri Energy Efficiency Investment Act, Section 393.1075, RSMo. Supp. 2009 requirement to value demand-side investments equal to traditional investments in supply and delivery infrastructure, and by failing to include a goal to achieve all cost-effective demand-side savings.

5. Staff identified Empire's Compliance Filing to be deficient with respect to its obligation contained in the May 12, 2010, *Stipulation and Agreement* in Empire's most recent general rate case, File No. ER-2010-0130, to analyze a moderate (1%) DSM portfolio and an aggressive (2%) DSM portfolio in its 2010 Chapter 22 Compliance Filing.

6. Staff did not identify any deficiencies with respect to Empire's obligations arising from Missouri's statutory Renewable Energy Standards.

7. Staff discusses the deficiencies, as well as its concerns with Empire's Compliance Filing that do not rise to the level of deficiencies, in its *Report*. Staff also provides recommended resolutions to the identified deficiencies and concerns in its *Report*. In general, Staff recommends the Commission order Empire to work with its stakeholder group to improve its next Chapter 22 Compliance Filing. Due to the likelihood of a revised Chapter 22 going into effect in 2011, at this time, Staff does not recommend Empire be ordered to revise and refile its 2010 Chapter 22 Compliance Filing. Instead, Staff proposes that the Empire work with the stakeholders to meet the requirements of Empire's next Chapter 22 filing which, if the time schedule in the proposed rules is approved as proposed, would occur on April 1, 2013.

8. Staff is reviewing whether it will pursue a complaint against Empire regarding Empire's failure to obey the Commission's *Order* approving the May 12, 2010, *Stipulation and Agreement* in File No. ER-2010-0130.

WHEREFORE, Staff submits its *Report* regarding the 2010 Chapter 22 Electric Utility Resource Planning Compliance Filing made by The Empire District Electric Company, pursuant to 4 CSR 240-22.080(5).

Respectfully submitted,

/s/ Sarah Kliethermes

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### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 3<sup>rd</sup> day of January, 2011.

/s/ Sarah Kliethermes