

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

In the Matter of a Working Case to )  
Consider Mechanisms to Encourage ) **File No. EW-2016-0041**  
Infrastructure Efficiency )

## MISSOURI DIVISION OF ENERGY'S COMMENTS IN RESPONSE TO STAFF'S INVESTIGATION AND REPORT

COMES NOW the Missouri Department of Economic Development - Division of Energy ("DE"), by and through the undersigned counsel, and, for its Comments in Response to the Staff of the Public Service Commission's ("Staff" and "Commission," respectively) Investigation and Report,<sup>1</sup> states:

1. On November 18, 2015, the Commission notified parties that they would have the opportunity to provide comments to Staff's infrastructure report by no later than January 15, 2016.<sup>2</sup>

2. On December 11, 2015, the Staff filed its report.

3. DE generally agrees that current utility policies regarding line extensions are effective in that they accomplish policy goals, such as providing residential customers of all income levels with affordable access to electricity and promoting the economic development of business and industry in the state Missouri, while holding the monthly bills of existing customers harmless to increased rates resulting from the addition of customers on the system.

4. Staff recommends that the Commission consider a design similar to KCP&L Greater Missouri Operations Company's ("GMO") current tariff in the event that the Commission is interested in a model extension policy that more aligns with cost-causation without restricting

<sup>1</sup> Missouri Public Service Commission Working Docket No. EW-2016-0041, *In the Matter of a Working Case to Consider Mechanisms to Encourage Infrastructure Efficiency*, Staff Investigation and Report, December 11, 2015.

<sup>2</sup> Missouri Public Service Commission Working Docket No. EW-2016-0041, *In the Matter of a Working Case to Consider Mechanisms to Encourage Infrastructure Efficiency*, Request for Party Submissions, November 18, 2015.

new growth. DE agrees with Staff's recommendation and would support the Commission's further consideration of a model extension policy.

5. DE agrees with Staff that economic development as it relates to utility infrastructure should be supported to the extent that the utility receives an amount above its marginal costs on sales of electricity to new or expanding customers. These customers thereby provide a contribution to cover fixed costs.

6. Staff's Investigation and Report notes that the current economic development riders available from Missouri's investor-owned utilities have had varying degrees of participation. DE recommends that in the subsequent rate cases of each investor-owned utility, the active economic development riders of the utilities in question be reviewed and modified in order to increase their effectiveness. DE recommends that those economic development riders that are judged to be more effective be used as models to modify those riders that have proven less effective. Increasing the effectiveness of the economic development programs offered by Missouri's investor-owned utilities will lead to a more efficient utilization of existing infrastructure while achieving the important goal of economic development. DE continues to believe that the Commission should incorporate appropriate customer energy efficiency criteria when revising economic development riders in order to maximize the benefits that they bring to the grid.

WHEREFORE, DE respectfully files its Comments in Response to Staff's Investigation and Report.

Respectfully submitted,

/s/Alexander Antal  
Alexander Antal

Associate General Counsel  
Missouri Bar No. 65487  
Department of Economic Development  
P.O. Box 1157  
Jefferson City, MO 65102  
Phone: 573-522-3304  
Fax: 573-526-7700  
Alexander.antal@ded.mo.gov  
**Attorney for Missouri Division of Energy**