

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

In the Matter of The Empire District Electric
Company's Application for Variance From
Selected Provisions of The Commission's
Rules to Electric Utility Resource Planning.

Case No. EE-2015-0249

STAFF'S RECOMMENDATIONS TO EMPIRE'S REQUESTED VARIANCES

COMES NOW the Staff of the Public Service Commission of the State of Missouri and states to the Commission that, with the limitations stated, it does not object to The Empire District Electric Company's requests for relief from strict compliance with certain provisions of the Commission's Chapter 22 rules (4 CSR 240-22) as follows:

1. Commission Rule 4 CSR 240-22.080(13) provides:

(13) Upon written application made at least twelve (12) months prior to a triennial compliance filing, and after notice and an opportunity for hearing, the commission may waive or grant a variance from a provision of 4 CSR 240-22.030–4 CSR 240-22.080 for good cause shown. The commission may grant an application for waiver or variance filed less than twelve (12) months prior to the triennial compliance filing upon a showing of good cause for the delay in filing the application for waiver or variance.

(A) The granting of a variance to one (1) electric utility which waives or otherwise affects the required compliance with a provision of this chapter does not constitute a waiver respecting, or otherwise affect, the required compliance of any other electric utility with a provision of these rules.

(B) The commission will not waive or grant a variance from this chapter in total.

2. Empire seeks variances from 4 CSR 240-3.164 (2) (A), 4 CSR 240-22.050 (1) (E), 4 CSR 240-22.030(7)(A), and 4 CSR 240-22.030 (4)(A)(1)(C).

3. With regard to Empire's request for relief from 4 CSR 240-3.164(2)(A), Staff recommends the Commission allow Empire, only in lieu of complying with the second sentence of 4 CSR 240-3.164(2)(A), *i.e.*, the sentence, "To the extent that primary data for each utility service territory is unavailable or insufficient, the market potential study may also rely on or be supplemented by data from secondary sources and relevant data from other geographic regions," to carry out its proposal that follows:

Empire will collect primary data to inform the 2016 market potential study. The cost of primary data collection varies by the number of surveys and on-site visits completed. Time and cost constraints will be weighed against the usefulness of the data to prioritize data collection activities. Empire and its independent contractor will supplement the market potential study with secondary data sources as needed, based upon data availability and the time and cost constraints identified.

4. With regard to Empire's request for relief from 4 CSR 240-22.050(1)(E), Staff recommends the Commission grant Empire the relief from that rule it requests, *i.e.*, Staff recommends the Commission allow it to do the following:

Empire will address technology improvements by assessing the effect of impact and incremental cost trends on measure cost-effectiveness over the planning horizon. Empire will include the effects of known improved technologies, accounting for proposed and approved changes in federal equipment standards as well as ENERGY STAR® and CEE efficiency requirements. Emerging technologies with unpredictable savings or barriers to market availability will not be included.

5. With regard to Empire's request for relief from 4 CSR 240-22.020(37)(A), Staff recommends that when granting Empire a variance from this rule provision, the Commission require Empire to provide in its IRP filing a mapping of its rate classes to the revenue classes in the same way it did in its response to Staff data request 0003 in Case No. EO-2013-0547: "Update and Mapping Rate Classes" in addition to requiring Empire to do what it proposes, the following:

Develop its IRP forecast by the following revenue classes:

- ▶ Residential
- ▶ Commercial
- ▶ Industrial
- ▶ Wholesale
- ▶ Street & Highway
- ▶ Interdepartmental
- ▶ Public Authority

6. With regard to Empire's request for relief from 4 CSR 240-22.030(4)(A)(1), Staff recommends that the Commission grant Empire's request to use the statistically-adjusted, end-use method for developing forecasts for the residential and commercial classes, and other statistical methods for developing the forecast for the industrial class.

WHEREFORE, Staff recommends to the Commission that it grant The Empire District Electric Company's requests for relief from strict compliance with certain provisions of the Commission's Chapter 22 rules (4 CSR 240-22) made in its application that initiated this case as set forth in the body of this pleading.

Respectfully submitted,

/s/ Nathan Williams

Nathan Williams
Deputy Staff Counsel
Missouri Bar No. 35512

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-8702 (Telephone)
(573) 751-9285 (Fax)
nathan.williams@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 11th day of May, 2015.

/s/ Nathan Williams