

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

In the Matter of The Empire District	)	
Electric Company's Infrastructure	)	Case No. EO-2021-0001
Standards Compliance Plan Pursuant to 20	)	
CSR 4240-23.020(3)	)	

**Public Counsel's Response to  
Empire's Infrastructure Compliance Plan**

**COMES NOW** the Office of the Public Counsel ("OPC") and for its response to The Empire District Electric Company's ("Empire") Infrastructure Standards Compliance Plan, states as follows:

1. On July 1, 2020, Empire submitted its infrastructure standards compliance plan, as required by 20 CSR 4240-23.020(3).
2. Attached to this pleading is a responsive memorandum prepared by Ms. Lena Mantle, P.E., Senior Analyst for the OPC.
3. As explained in Ms. Mantle's memorandum, the OPC is concerned that Empire's compliance plan indicates Empire has shifted its focus away from routine *maintenance* of transmission and distribution infrastructure, and is instead devoting the bulk of its resources towards *capital* transmission and distribution infrastructure that enables Empire to earn a return. Ultimately, the OPC is concerned that this change in focus towards profit-producing investments at the expense of system maintenance may lead to a less reliable system, and harm to the public.
4. The OPC does not at this time seek any specific action from the Commission in response to Empire's plan. The OPC submits this memorandum to

inform the Commission so that it may take any future actions it deems necessary to protect the public.

WHEREFORE, the Office of the Public Counsel respectfully offers this response to Empire's compliance plan.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By: /s/ Marc D. Poston  
Marc D. Poston (#45722)  
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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 13th day of July 2020.

**/s/ Marc Poston**

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In the Matter of The Empire District )  
Electric Company's Infrastructure )  
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to 20 CSR 4240-23.020(3) )

Case No. EO-2021-0001

**VERIFICATION OF LENA M. MANTLE**

Lena M. Mantle, under penalty of perjury, states:

1. Attached hereto and made a part hereof for all purposes is my memorandum in the above-captioned cases.
  
2. The information in the attached memorandum is true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to read "Lena M. Mantle", written over a horizontal line.

Lena M. Mantle  
Senior Analyst  
Office of the Public Counsel

## MEMORANDUM

To: Case File No. EO-2021-0001, In the Matter of The Empire District Electric Company's Infrastructure Standards Compliance Plan Pursuant to 20 CSR 4240-23.020(3)

From: Lena M. Mantle, P.E.  
Senior Analyst, Office of the Public Counsel

Re: The growing number of incomplete transmission and distribution work orders of the Empire District Electric Company

Date: July 13, 2020

The 2019 Reliability Compliance Report filed by The Empire District Electric Company (“Empire”) on July 1, 2020 shows that Empire completed less than 20% of its planned transmission and distribution system work orders<sup>1</sup> in 2019. Empire assigned a rating of “Routine/Non-Critical” to over 90% of the work orders identified in its 2018 and 2019 infrastructure inspections. Its report states that the scheduling period for these type of work orders is 365 days, i.e. the work order should be completed within 365 days. Empire’s planned corrective action is to complete this backlog of corrective actions over the next three years or 1,095 days.<sup>2</sup> At the same time that Empire was not completing these maintenance work orders, it was increasing its capital investments in transmission and distribution. According to its filed testimony in its recent general rate case, Empire has spent in excess of \$100 million for capital investments in its transmission and distribution system since April 2016.<sup>3</sup>

OPC is concerned that Empire has turned its resources and focus from routine maintenance and corrective actions of its transmission and distribution system, to increasing its capital investments, for which it can earn a return. The results of such actions could lead to long outages after severe weather such as those seen prior to when the Commission created its Chapter 23 Electric Utility Operational Standards.

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<sup>1</sup> Empire uses the terms “work orders” and “corrective actions” interchangeably in its report.

<sup>2</sup> While the tables in the 2019 report state that these actions are scheduled for 2020, the report states on pages 12 and 14 that it is Empire’s plan, upon hiring more linemen, is to complete these actions by December 31, 2022.

<sup>3</sup> ER-2019-0374, Direct testimony of Jeffery Westfall, page 3.

The following table shows the percent work orders completed and the increase in the number of work orders delayed until the future.<sup>4</sup>

<u>Corrective Actions (Workorders)</u>					
	Planned	Completed	% Completed	Planned for 2019	Planned by Dec 31, 2022
2018 Distribution	7,059	1,623	23%	5,436	
2018 Transmission	531	10	2%	521	
Total	7,590	1,633	22%	<b>5,957</b>	
2019 Distribution	8,939	1,751	20%		7,188
2019 Transmission	1,047	162	15%		885
Total	9,986	1,913	19%		<b>8,073</b>

The OPC brings these concerns to the Commission's attention to ensure the Commission, the Commission Staff, and Empire are aware of the OPC's concerns at the earliest point possible following Empire's submission of its infrastructure report. The OPC does not seek any specific action by the Commission.

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<sup>4</sup> 2018 numbers from Empire's 2018 Compliance Report filed in EO-2020-0001, In the Matter of The Empire District Electric Company's Infrastructure Standards Compliance Plan Pursuant to 4 CSR 240-23.020(3).