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February 01, 2008  
Data Center  
Missouri Public  
Service Commission

Missouri Energy Development Association

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February 1, 2008

Atmos Energy  
Corporation

Empire District  
Electric Company

Great Plains Energy  
(KC Power & Light)

The Laclede  
Group, Inc.

Missouri  
American Water

Missouri  
Gas Energy

Colleen M. Dale  
Secretary of the Commission  
Missouri Public Service Commission  
PO Box 360  
Jefferson City, MO 65102

**RE: EX-2008-0231, Rule 4 CSR 240-23.020, Electrical Corporation  
Infrastructure Standards Rulemaking Comments  
(Previous Rulemaking Case No. EX-2007-0214)**

Dear Cully:

Please find attached Missouri Energy Development Association's comments in response to the Notice of Proposed Rulemaking published in the Missouri Register on January 2, 2008. This rulemaking implements 4 CSR 240-23.020, Electrical Corporation Infrastructure Standards and has been designated Case No. EX-2008-0231.

If you have any questions, please do not hesitate to contact me at (573) 634-8678 or by e-mail at [Warren@missourienergy.org](mailto:Warren@missourienergy.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Warren T. Wood", is written over a horizontal line.

Warren T. Wood  
President

Attachment

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

**In the Matter of Proposed Rule            )  
4 CSR 240-23.020 Electrical                )  
Corporation Infrastructure Standards)**

**Case No. EX-2008-0231**

**COMMENTS OF THE MISSOURI ENERGY DEVELOPMENT  
ASSOCIATION d/b/a MEDA**

**February 1, 2008**

COMES NOW the Missouri Energy Development Association d/b/a MEDA, and for its Comments in response to the Notice of Proposed Rulemaking published in the Missouri Register on January 2, 2008, states as follows:

As a result of the power outages associated with a series of severe wind and ice storms and general concerns regarding day-to-day service reliability, the Missouri Public Service Commission (Commission or PSC) has held public hearings, conducted investigations, initiated rulemaking, published draft rules, held rulemaking hearings and has previously adopted rules **4 CSR 240-23.020 Electrical Corporation Infrastructure Standards (Infrastructure Rule)** and **4 CSR 240-23.030 Electrical Corporation Vegetation Management Standards and Reporting Requirements (Vegetation Rule)**, both in Case No. EX-2007-0214. The PSC is also currently developing rule **4 CSR 240-23.010 Electrical Corporation System Reliability Monitoring and Reporting Submission Requirements (Reliability Rule)** in Case No. EX-2008-0230. The Commission's Reliability Rule has not yet been the subject of a rulemaking hearing, and the PSC has not yet adopted a version of this rule.

Due to an administrative filing glitch with the Secretary of State, the Commission's Infrastructure Rule and Vegetation Rule are now the subject of additional Missouri Register publications, comment development and submittals, rulemaking hearings, and rule adoption cycles. MEDA does not propose that any substantive changes be made to the Infrastructure Rule previously adopted by the Commission.

The previous rulemaking proceeding in this case yielded a reasonable regulatory decision. As described in detail below, this rule includes extensive provisions that will, over time, yield improvements in infrastructure inspection and maintenance practices which, combined with improvements in vegetation management, will result in greater service reliability.

MEDA notes that the infrastructure inspection cycles in this rule are reasonable. In fact, this rule requires wood utility poles be inspected more frequently than is recommended by Rural Utilities Service Bulletin 1730B-121 (United States Department of Agriculture, Rural Utilities Service, Bulletin 1730B-121 "Pole Inspection and Maintenance"). As written, this rule will require wood utility pole inspections in urban areas every 4 years and rural areas every 6 years versus RUS recommended inspections at 8 years and 10 years, depending on decay zone. This rule will require twice the number (4 years vs. 8 years) of inspections in urban areas and will require one-third more (6 yrs vs. 8 years) inspections than the RUS standard recommends in rural areas.

The patrol, detailed, and intrusive inspection cycles in this rule are currently set such that circuit groupings with vegetation management programs can be tracked efficiently. If these inspection cycles are revised to some frequency that requires different circuit groupings for tracking and reporting of vegetation management vs. infrastructure inspection, this will reduce the efficiency of these programs and force a level of unnecessary complexity onto an already complicated task.

Much of the infrastructure subject to the inspection requirements of this rule is designed for decades of useful life in the field under harsh conditions. Whereas vegetation grows, decays, and can threaten power lines on a relatively short timeframe, the year-to-year changes in much of the infrastructure subject to this rule are minimal. To require much more frequent inspections of infrastructure will do very little to improve reliability vs. the costs of the manpower and equipment to support these shorter inspection cycles.

Making additional changes to this rule at this time may result in additional expenses and administrative inefficiencies since the electric utilities subject to this rule have already started to implement the provisions of this rule in the form previously adopted by the Commission. These ongoing changes in procedures are in addition to what electric utilities had already implemented to improve their infrastructure inspection and maintenance practices prior to the PSC's adoption of the rule currently being considered in this rulemaking proceeding.

In addition to current infrastructure inspection and maintenance expenditures, regulated electric utilities in Missouri will spend approximately \$8.35 million to implement and \$17.75 million annually to comply with the current version of this rule.

The Infrastructure Rule previously adopted by the Commission, and the subject of this proceeding, includes many requirements designed to improve service reliability. At its core, the most basic principles at work in this rule are the need to regularly inspect infrastructure, assess its condition, repair or replace infrastructure in poor condition, maintain adequate infrastructure such that its usable life will be enhanced, and regularly track and report these activities to the Commission.

A summary of the major provisions of this rule:

- Sufficiently trained personnel shall conduct inspections as necessary to provide safe and adequate service pursuant to section 393.130.1, RSMo Supp. 2006, but in no case shall these inspections be less frequent than outlined below.
  - Wood Utility Poles & Overhead Structures: Patrol urban/rural circuits at 4/6 year intervals, intrusive excavation and drill below soil line inspection with retreatment if appropriate at 12 year intervals.
    - *Urban circuits serve more than 35 customers/circuit mile and rural circuits serve less than 35 customers/circuit mile.*
  - Non-Wood Utility Poles & Overhead Structures: Patrol urban/rural circuits at 4/6 year intervals, detailed inspection at 12 year intervals.
  - Overhead Wires, Transformers, Reclosers, Regulators, Capacitors, Switching/Protective Devices, and Street Lights: Patrol urban/rural circuits at 4/6 year intervals, detailed inspection of urban/rural circuits at 8/12 year intervals.
  - Overhead Wires, Transformers, Reclosers, Regulators, Capacitors, Switching/Protective Devices and Street Lights with Real-Time Remote Monitoring: Detailed inspection at 12 year intervals.
  - Underground-Direct Buried and Conduit: Patrol urban/rural circuits at 4/6 year intervals, detailed inspection of urban/rural circuits at 8/12 year intervals.
  - Underground-Direct Buried and Conduit with Real-Time Remote Monitoring: Detailed inspection at 12 year intervals.
  - Underground Networks: Patrol circuits at 4 year intervals, detailed inspection of circuits at 8 year intervals.

Major provisions (continued):

- Underground Networks with Real-Time Remote Monitoring: Detailed inspection at 12 year intervals.
  - Manholes, Vaults, Tunnels and Other Underground Structures: Patrol urban/rural circuits at 4/6 year intervals, detailed inspection of urban/rural circuits at 8/12 year intervals.
- Annual electric corporation filing of compliance plans for the inspections and record keeping for the inspection cycles required by the rule. These filings shall include the proposed forms and formats for annual reports and source records as well as the types of inspections and equipment to be inspected.
- Annual electric corporation filing of compliance report detailing compliance with the provisions of the rule for the prior calendar year. This report shall:
  - identify the number of facilities, by type, which have been inspected during the prior reporting period;
  - identify facilities that were scheduled for inspection but were not inspected and explain why they were not inspected and the electrical corporation's recovery plan to perform the required inspections;
  - identify total number and percentage breakdown of equipment rated at each condition level, including equipment in need of corrective action;
  - where corrective action was scheduled during the reporting period, identify the total number and percentage of equipment that was or was not corrected during the reporting period;
  - where corrective action was scheduled but not performed during the reporting period, an explanation shall be provided with a date certain by which required corrective action will occur; and
  - identify present totals and percentages of equipment in need of corrective action, but with a scheduled date beyond the reporting period, classified by the amount of time remaining before the scheduled action.
- Reporting of other governmental entity required infrastructure inspection results to the Commission.
- For all inspections the circuit, area, or equipment inspected, the date of inspection, any problems identified, and the scheduled date of any necessary corrective action shall be documented.
- For detailed and intrusive inspections, the electrical corporation shall rate the condition of inspected equipment.

Major provisions (continued):

- Upon completion of corrective action, the electrical corporation shall document the nature of the work and the date the work was performed.
- Where electric infrastructure is exposed to extraordinary conditions or when an electric corporation has demonstrated a pattern of noncompliance with Commission safety or infrastructure inspection and maintenance standards (4 CSR 240-18 or 4 CSR 240-23.020) or any other Commission rules relating to provision of safe and adequate service, the Commission may shorten the inspection cycle intervals in this rule.
- Commission Staff are required to review each electrical corporation's annual report and may perform inspections to verify rule compliance.
- Corrective action shall be taken within a reasonable period of time. If harm to person or property is imminent, corrective action shall be taken immediately.
- Cost recovery tracking provisions for incurred costs to comply with the provisions of this rule that are in excess of the costs included in current rates.
- Provision for inspection cycle and/or program variances if the electrical corporation can demonstrate that an alternative infrastructure inspection program would produce equal to or greater reliability performance in the future than what would be produced under this rule.

MEDA appreciates the opportunity to provide comments in this rulemaking proceeding and hopes that these comments are helpful in formulating reasonable policy in this important area.