

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

In the Matter of a Determination of Special	)	
Contemporary Resource Planning Issues to be	)	
Addressed by The Empire District Electric	)	File No. EO-2014-0063
Company in its Next Triennial Compliance	)	
Filing or Next Annual Update Report	)	

**EMPIRE’S COMMENTS AND OBJECTIONS REGARDING
SUGGESTED SPECIAL CONTEMPORARY RESOURCE PLANNING ISSUES**

COMES NOW The Empire District Electric Company (“Empire” or “Company”), by and through the undersigned counsel, and, pursuant to Rule 4 CSR 240-22.080(4)(B), respectfully states as follows to the Missouri Public Service Commission (“Commission”) regarding the special contemporary resource planning issues suggested by the Staff of the Commission (“Staff”) and the Missouri Department of Economic Development – Division of Energy (“Division of Energy”):

Introduction

This file was opened by the Commission on September 6, 2013, to facilitate the process established by Rule 22.080(4) regarding “evolving electric resource planning issues,” also known as “special contemporary issues.” On September 13, 2013, the Division of Energy filed its suggested special contemporary issues list, as did Staff. Pursuant to Rule 22.080(4)(C), by no later than November 1, 2013, this Commission must issue an order containing a list of special contemporary issues for Empire to analyze and document in its next annual update report.

The annual update report in which Empire will document its analysis of the contemporary issues to be determined in this proceeding is scheduled to be filed by Empire in mid-March, 2014. Empire submitted its first triennial compliance filing under the revised integrated resource planning (“IRP”) rules on July 1, 2013 – just three months ago, in File No. EO-2013-0547.

Pursuant to the IRP rules that became effective as a result of the rulemaking process in File No. EX-2010-0254, the purpose of the special contemporary issues lists is to ensure that evolving regulatory, economic, financial, environmental, energy, technical, or customer issues are adequately addressed by each utility in its electric resource planning. 4 CSR 240-22.080(4). In line with the stated purposes of the Commission's IRP rules, each utility should keep its stakeholders updated and informed regarding changing conditions and factors. In this regard, Empire's IRP Advisory Group, which includes the Division of Energy, Staff, the Office of the Public Counsel, and other intervenors, met quarterly on nine occasions between June of 2011 and June of 2013, in order to prepare for Empire's triennial compliance filing in File No. EO-2013-0547. The Advisory Group also met on December 18, 2012, to discuss the pre-integration phase assumptions for Empire's 2013 IRP, as required by Rule 4 CSR 240-22.080(5)(A).

Additionally, pursuant to an agreement among various stakeholders, a meeting was held within 30 days of Empire's triennial compliance filing in File No. EO-2013-0547 to discuss the cost effective realistic achievable potential ("RAP") demand-side management ("DSM") portfolio contained in Empire's 2013 preferred plan. This meeting was held on July 30, 2013. Empire has agreed to make a new Missouri Energy Efficiency Investment Act ("MEEIA") filing, to include the DSM portfolio from the 2013 IRP preferred plan, within 90 days of that meeting.

Comments and Objections

The Commission's current IRP rules are comprehensive and prescribe a complex, costly, and detailed planning process for each utility. Parties should not be allowed to expand upon these IRP rules simply by labeling items as "special contemporary issues."

Empire's specific response to each issue suggested for consideration by Staff or the Division of Energy is set forth on the attached Exhibit A. In general, Empire urges the

Commission to apply a reasonableness standard in arriving at its list of special contemporary issues to be set forth in the Commission's order to be issued by November 1, 2013. Some of the items Staff and the Division of Energy propose should not be deemed "special contemporary issues" within the meaning of the rule. Empire submits that to be a "special contemporary issue" or a "new evolving electric resource planning issue," the issue must be reasonably related to the utility's resource planning and should not already be explicitly or significantly covered or contemplated by the IRP rules and should not cause unnecessary duplication of duties. A suggested issue also should not be a repeat of past special contemporary issues that have been adequately addressed by the utility in prior cases.

The Commission previously noted that, in preparing a list of special contemporary issues, it should be mindful of time and resource limitations. "Requiring the company to address every issue proposed by the various parties within the available time would only result in a superficial analysis that would be less helpful than a more detailed analysis of appropriately limited issues."¹

The list of special contemporary issues ordered by the Commission for consideration by Empire should be straightforward, specific to Empire and its planning process, and appropriately limited in number and scope, so that the issues may be adequately analyzed and the Company's resources may be used wisely and efficiently. In line with the stated purposes of the annual update and the list of special contemporary issues, each utility should keep its stakeholders updated and informed regarding changing conditions and factors. The annual update process should not impose additional requirements and should not require the utility to go through the

¹ *Order Establishing Special Contemporary Resource Planning Issues*, issued October 19, 2011, effective October 20, 2011, File No. EO-2012-0039 (In the Matter of a Determination of Special Contemporary Resource Planning Issues to be Addressed by Ameren Missouri), 2011 Mo.PSC Lexis 1079, 5.

entire IRP process on an annual basis. In the case of an annual update, the contemporary issues list should, in general, be more limited in nature.

The Commission previously noted the importance of the distinction between special contemporary issues to be addressed in an annual update and special contemporary issues to be addressed in a full IRP study. “This distinction is important because in its annual update report, the electric utility is only expected to address ‘changing conditions since the last filed triennial compliance filing or annual update filing.’ For that reason, the requirement to examine special contemporary issues should not expand the limited annual update report into something more closely resembling a triennial compliance report.”²

Empire submitted a triennial compliance filing on July 1, 2013 – just three months ago (File No. EO-2013-0547). An order is to be issued by the Commission herein on November 1, 2013, specifying the contemporary issues to be analyzed and documented by Empire in its annual update report which is scheduled to be filed in mid-March, 2014. Given this timing, it is possible for there to be few, or even no contemporary issues appropriate for this case. As stated in the IRP rules, any special contemporary issues to be identified in this proceeding should be new or evolving regulatory, economic, financial, environmental, energy, technical, or customer issues that should be adequately addressed by Empire in its electric resource planning. Stakeholders here, however, are attempting to broaden the scope of the Commission’s IRP rules.

² *Order Establishing Special Contemporary Resource Planning Issues*, issued October 31, 2012, effective November 1, 2012, File No. EO-2013-0104 (In the Matter of a Determination of Special Contemporary Resource Planning Issues to be Addressed by Ameren Missouri), 2012 Mo.PSC Lexis 1068, 3 (internal citation omitted). See also *Order Establishing Special Contemporary Resource Planning Issues*, issued October 31, 2012, effective November 1, 2012, File No. EO-2013-0106 (In the Matter of a Determination of Special Contemporary Resource Planning Issues to be Addressed by Kansas City Power & Light Company), 2012 Mo.PSC Lexis 1069, 3.

WHEREFORE, Empire respectfully submits its comments regarding the special contemporary resource planning issues suggested by Staff and the Division of Energy. Empire requests such relief as the Commission deems just and proper under the circumstances.

BRYDON, SWEARENGEN & ENGLAND P.C.

By: /s/ Diana C. Carter
Dean L. Cooper #36592
Diana C. Carter #50527
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
Telephone: (573) 635-7166
Facsimile: (573) 634-7431
E-mail: DCarter@BrydonLaw.com

ATTORNEYS FOR THE EMPIRE DISTRICT
ELECTRIC COMPANY

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail on this 1st day of October, 2013, to all counsel of record.

/s/ Diana C. Carter