

FILED
September 2, 2014
Data Center
Missouri Public
Service Commission

Exhibit No.: _____

Issue: Policy

Witness: Michelle A. Moorman

Exhibit Type: Direct

Sponsoring Party: Summit Natural Gas of Missouri, Inc.

Case No.: GR-2014-0086

Date: January 02, 2014

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. GR-2014-0086

DIRECT TESTIMONY

OF

MICHELLE A. MOORMAN

ON BEHALF OF

SUMMIT NATURAL GAS OF MISSOURI, INC.

Jefferson City, Missouri

January 2, 2014

Summit Exhibit No. 4
Date 8-19-14 Reporter RF
File No. GR-2014-0086

DIRECT TESTIMONY
OF
MICHELLE A. MOORMAN

SUMMIT NATURAL GAS OF MISSOURI, INC.

CASE NO. GR-2014-0086

TABLE OF CONTENTS

I.	Introduction and Qualifications	1
II.	Background and Overview	2
III.	Revenue Requirement & Rate Design	7
IV.	Return on Equity	14
V.	Tariff Revisions	14
VII.	Introduction of Witnesses	17

DIRECT TESTIMONY

MICHELLE A. MOORMAN

SUMMIT NATURAL GAS OF MISSOURI, INC.

I. INTRODUCTION AND QUALIFICATIONS

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. Michelle A. Moorman, my address is 7810 Shaffer Parkway, Suite 120, Littleton,
3 CO 80127.

4 **Q. ON WHOSE BEHALF IS YOUR TESTIMONY PRESENTED?**

5 A. I am testifying on behalf of Summit Natural Gas of Missouri, Inc. ("SNG" or the
6 "Company").

7 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

8 A. I am the Director of Regulatory Affairs for Summit Utilities, Inc., ("Summit Utilities")
9 the parent company of SNG.

10 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND RELEVANT**
11 **BUSINESS EXPERIENCE.**

12 A. Information responsive to this question is shown in the attached Schedule MAM-
13 1.

14 **Q. HAVE YOU TESTIFIED BEFORE OTHER REGULATORY BODIES?**

15 A. Yes. I have testified before the Colorado Public Utilities Commission and the
16 Maine Public Utilities Commission.

1 **Q. IN WHAT CAPACITY?**

2 A. I have testified as a policy witness and as the representative for Colorado Natural
3 Gas, Inc., and Summit Natural Gas of Maine, Inc., both affiliates of SNG.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

5 A. In my testimony, I will describe the history of rate cases for Missouri Gas Utility,
6 Inc. ("MGU"), which acquired Southern Missouri Gas Company L.P. d/b/a
7 Southern Missouri Natural Gas Company ("SMNG") and became SNG after Case
8 No. GM-2011-0354. I will provide a review of Missouri Public Service Commission
9 ("Commission") Orders directing specific requirements for this rate proceeding. In
10 addition, I will present the findings of the revenue sufficiency study, provide an
11 explanation of Company management policy decisions related to the study, and
12 support proposed changes to the transportation and school aggregation tariffs.
13 Finally, I will introduce Company witnesses.

14

15 **II. BACKGROUND AND OVERVIEW**

16 **Q. WHAT TYPE OF RELIEF IS SNG SEEKING IN THIS RATE PROCEEDING?**

17 A. SNG is seeking to increase revenue and adjust its rate design in order to maintain
18 a financially viable utility. SNG is seeking (1) a reasonable opportunity to recover
19 its revenue requirement, (2) a return on equity ("ROE") appropriate for the unique
20 risks of this utility, and (3) rates that acknowledge the result of a Class Cost-of-
21 Service Study ("CCOSS"). Rates have historically been determined based on
22 feasibility studies calculated during CCN processes. Neither MGU nor SMNG has

1 filed a formal general rate case request since 2007 (Case No. GR-2008-0060) and
2 2000 (GR-2000-485), respectively, even though both companies have continued
3 to grow and expand rate base.

4 **Q. WHY IS THE COMPANY SEEKING THIS RELIEF?**

5 A. The Company is seeking this relief in order to recover the increased cost of
6 providing service to customers. SNG has constructed significant new gas service
7 facilities and has experienced increased operating expenses, including increased
8 property taxes associated with the new facilities. The Company and its
9 predecessor companies have not filed a formal general rate proceeding in at least
10 six years, and have never filed a class cost of service study to assist in developing
11 rates. The resulting revenue deficiencies have caused SNG's earnings to fall
12 short of the level authorized by the Commission.

13 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF SNG.**

14 A. SNG is the current name of the corporate entity formerly known as MGU. MGU, a
15 subsidiary of Summit Utilities, Inc. ("Summit Utilities"), acquired SMNG on January
16 1, 2012, and at the same time changed the name of the entity to SNG.

17 **Q. WHAT IS THE HISTORY OF MGU'S PROVISION OF NATURAL GAS SERVICE
18 IN MISSOURI?**

19 A. Summit Utilities acquired the municipal gas facilities of Gallatin and Hamilton,
20 Missouri and formed MGU in December of 2004. MGU has since expanded to
21 provide natural gas service through distribution facilities in the Missouri counties of
22 Harrison, Daviess, Caldwell, Pettis, Benton, Morgan, Camden, and Miller, subject

1 to the jurisdiction of the Commission.

2 **Q. WHAT IS THE HISTORY OF SMNG'S PROVISION OF NATURAL GAS**
3 **SERVICE IN MISSOURI?**

4 A. In 1993, Tartan Energy, doing business as Southern Missouri Gas Company filed
5 for a CCN for what is now considered the legacy SMNG system. The application
6 for CCN was approved in the fall of 1994 and since then SMNG has gone through
7 multiple reorganizations and various owners in its nearly 20 year history. At the
8 time of acquisition, SMNG provided natural gas service in the Missouri counties of
9 Greene, Webster, Laclede, Wright, Douglas, Texas, Howell, Stone and Taney,
10 subject to the jurisdiction of the Commission.

11 **Q. PLEASE PROVIDE A HISTORY OF RATE PROCEEDINGS FOR THE SNG**
12 **TERRITORIES PREVIOUSLY KNOWN AS MGU.**

13 A. MGU began operations in January 2005, based on rates previously charged by
14 the Gallatin and Hamilton municipal systems. MGU filed its first rate proceeding
15 before the Commission in 2007, with new rates becoming effective in 2008. A
16 class cost-of-service study was not prepared as part of this proceeding and rates
17 were adjusted based on the approved unanimous stipulation and agreement.
18 MGU began flowing gas to its Warsaw Division in late 2009, with rates established
19 based on the feasibility study provided by the Company in the Certificate for Public
20 Convenience ("CCN") case (Case No. GA-2009-0264). The feasibility study
21 accounted for projected materials, labor, contractor costs and operating costs as
22 well as predicted customer growth in the area. A cost-of-service study was

1 completed as part of the feasibility study; however, a class cost-of-service study
2 was not prepared. In 2012, the Commission granted a CCN for the Lake of the
3 Ozarks Division ("LOO"), and the rates for this division were established based on
4 the feasibility provided in the CCN Application. The LOO Division is not a part of
5 this proceeding as further explained below.

6 **Q. PLEASE PROVIDE A HISTORY OF RATE PROCEEDINGS FOR THE SNG**
7 **TERRITORIES PREVIOUSLY KNOWN AS SMNG.**

8 A. The service territory previously known as SMNG is broken into two
9 divisions, the Rogersville Division, and the Branson Division.

10 The Rogersville Division encompasses the original SMNG system, serving
11 the incorporated municipalities of Rogersville, Mountain Grove, Lebanon, and
12 West Plains, Missouri, as well as unincorporated areas of the counties mentioned
13 above. Rates for the SMNG divisions were last set following a small company rate
14 case proceeding (Case No. GR-2010-0347), initiated in 2010. A class cost-of-
15 service study was not performed as part of this previous small company rate case
16 proceeding.

17 The Branson Division began flowing gas in the fourth quarter of 2010. The
18 Branson rates are currently the equivalent of the Rogersville Division rates, plus
19 \$0.10 per Ccf to account for the cost of construction in the Branson Division. A
20 class cost-of-service study was not performed previously in the establishment of
21 the Branson Division rates.

22 Prior to Case No. GR-2010-0347, SMNG had not increased base rates

1 since 2000.

2 **Q. ARE THERE ANY REQUIREMENTS FROM PREVIOUS COMMISSION ORDERS**
3 **BEING ADDRESSED IN THIS RATE PROCEEDING?**

4 A. Yes. The following list identifies the primary cases and requirements being
5 addressed in this rate case:

6 • Case Nos. GO-2005-0120, GA-2009-0264, GA-2009-0422, GA-
7 2010-0289, the CCNs for the Gallatin and Warsaw Divisions. The Commission
8 Orders included requirements to maintain separate books and records for each
9 Division, identify appropriate depreciation rates, and directed that a class cost-of-
10 service study and revenue requirements be completed in the next rate case.

11 • Case No. GA-2012-0285, the CCN for the LOO Division. The
12 Commission order included the requirements identified in the previous CCNs, as
13 well as specific treatment for Allowance for Funds Used During Construction
14 ("AFUDC"), instructions for the capitalization ratio of advertising, a directive that
15 the LOO Division would be a stand-alone system, and a 42 month moratorium on
16 rate increases for the LOO Division.

17 • Case No. GM-2011-0354, addressed the MGU acquisition of SMNG.
18 The Stipulation specifically mentioned accounting treatments, affiliate transaction
19 requirements, proper accounting for plant in service, customer service,
20 depreciation requirements (including a depreciation study), a rate moratorium,
21 directives regarding gas safety and interaction between other utilities, and a
22 directive that the compliance requirements identified in the SMNG small company

1 rate proceeding be carried forward.

2 **Q. HOW IS THE LAKE OF THE OZARKS (“LOO”) DIVISION TREATED IN THIS**
3 **RATE PROCEEDING?**

4 A. In approving the Company's application for a CCN for the LOO Division, the
5 Commission ordered a 42 month rate moratorium for the new Division. The
6 subject order was effective on July 27, 2012, and, therefore, the rate moratorium
7 is in effect until December of 2015. In this proceeding, the Company is identifying
8 the costs directly assigned to the LOO Division in order to ensure those costs are
9 not included in the other divisions. Company witness Mr. Kent D. Taylor is
10 presenting a CCOS and rate design and Company witness Mr. Tyson D. Porter is
11 presenting the revenue sufficiency study, all of which allocate some test period
12 costs to the LOO, but do not include a full study of the LOO Division. The tariff
13 sheets filed by SNG do not propose a rate increase for the LOO Division, but
14 certain allocations are provided for review as it is important to understand the
15 Division's connection to the rest of the Company.

16

17 **III. REVENUE REQUIREMENT & RATE DESIGN**

18 **Q. WHAT TEST YEAR HAS SNG USED FOR THE DEVELOPMENT OF THIS RATE**
19 **CASE?**

20 A. SNG has used a 12 month test year ending September 30, 2013.

21 **Q. HAS THE COMPANY MADE ANY ADJUSTMENTS TO THE ACTUAL**
22 **ADJUSTED REVENUES AND EXPENSE FOR THE TEST YEAR ENDING**

1 **SEPTEMBER 30, 2013?**

2 A. Yes. In addition to the use of a historic test year, SNG has made pro forma
3 adjustments for known and measurable changes that will occur in 2013. This is
4 explained further in the direct testimony of Company witness Mr. Porter.

5 **Q. DID THE COMPANY USE STANDARD REGULATORY CONVENTIONS IN**
6 **CALCULATING THE PRO FORMA REVENUE AND EXPENSES?**

7 A. Yes, to a point. SNG classified its costs into customer related and
8 demand/commodity related categories, but after review of the results, used
9 management discretion to adjust the Company's request as described below.

10 **Q. WHAT ARE THE RESULTS OF THE REVENUE SUFFICIENCY STUDY?**

11 A. The Company's revenue sufficiency study is described in Mr. Porter's testimony.
12 The calculated pro forma revenue required is \$26,690,134. This amount is broken
13 out by Division in Mr. Porter's **Schedule TDP-1, Exhibit 1**. Based on this study,
14 SNG's total revenue deficiency is \$12,792,921. However, in analyzing the outputs
15 of the revenue sufficiency study, the Company determined this level of rate
16 increase was not appropriate in the Warsaw and Branson Divisions, as further
17 discussed below. The Company used management discretion in its decision to file
18 tariff sheets designed to seek less than the full revenue requirement identified in
19 the class cost-of-service study, in order to mitigate the rate increase to certain
20 customers. Therefore, the Company is seeking as part of this rate proceeding, a
21 total revised revenue requirement of \$21,231,403, for a revenue increase of
22 \$7,472,133.

1 **Q. WHAT MANAGEMENT POLICY DECISION WAS MADE FOR THE WARSAW**
2 **DIVISION?**

3 A. SNG decided to request a lower increase than would have been called for by its
4 revenue sufficiency study.

5 **Q. WHY?**

6 A. The Warsaw and LOO Divisions share mainline facilities from the tap with
7 Southern Star. For purposes of this case, the Company has allocated shared
8 assets, as further identified in the direct testimony of Company witness Mr. Porter.
9 However, the build out of the LOO Division has not been fully completed. The
10 Company believes it should wait until a subsequent rate proceeding in which the
11 full build out of the LOO Division will be considered in order to address the full
12 revenue requirement associated with the Warsaw Division. Therefore, the
13 Company is only seeking that portion of the Warsaw Division revenue requirement
14 necessary to bring the Warsaw rates up to the existing LOO rates.

15 **Q. WHAT MANAGEMENT POLICY DECISION WAS MADE FOR THE BRANSON**
16 **DIVISION?**

17 A. SNG also decided to seek less than the full revenue requirement in the Branson
18 Division. Similar to the LOO Division, the Branson Division is still growing.
19 Accordingly, SNG has sought something less than the full revenue requirement in
20 order to avoid assigning the full cost of the system to early moving customers.

21 **Q. ARE THERE OTHER MANAGEMENT POLICY DECISIONS REFLECTED IN**
22 **THIS CASE?**

1 A. Yes. SNG has made several other management policy decisions in the
2 development of this rate proceeding. These are as follows: (1) To close the
3 (SMNG) Optional General Service (“OGS”) customer class to future customers; (2)
4 Changing the Branson commodity adder; and, (3) Reduction of customer charges
5 from what was indicated in the allocated class cost-of-service study.

6 **Q. PLEASE DESCRIBE SNG’S PROPOSED TREATMENT OF THE OPTIONAL**
7 **GENERAL SERVICE CUSTOMER CLASS.**

8 A. In the past, the SMNG rate design has included an OGS customer class for
9 residential and small commercial customers. The optional rate does not have a
10 monthly customer charge and instead offers a higher commodity charge for the
11 natural gas used in a billing period. The rate was created to curb seasonal
12 customer attrition caused by consumers that only use natural gas during the winter
13 heating season and then will not pay their bills in the spring and summer when
14 only a monthly customer charge would be billed. The Company is proposing to
15 maintain the OGS rate for customers that are currently on the rate, and close the
16 rate on a going forward basis in all rate areas, so no additional customers are
17 added.

18 **Q. WHY DOES SNG WANT TO ELIMINATE THE USE OF THIS RATE IN THE**
19 **FUTURE?**

20 A. Because there is an inherent riskiness of this revenue stream for SNG. The
21 Company generally depends on monthly customer charges to recover a portion of
22 its fixed costs, including meter costs, meter maintenance, and billing costs as an

1 example. Said another way, the monthly Customer Charge should cover the
2 customer specific costs associated with using natural gas service. The optional
3 OGS rate is inherently hazardous for the Company because the revenue streams
4 associated with this rate class are entirely dependent on factors such as weather
5 and customer usage, while SNG's costs that should be recovered by a customer
6 charge remain generally fixed. The closure of this rate going forward will not
7 eliminate the risk to the revenue stream because there will still be a significant
8 number of customers in this rate class, as identified below. In addition, the risk to
9 the equity holder does not change because the rate is still being utilized by a third
10 of existing SNG customers.

11 **Q. HOW MANY SNG CUSTOMERS CURRENTLY UTILIZE THIS RATE?**

12 A. At the end of the test year, the Company had 4,848 residential customers on the
13 OGS rate and 429 commercial customers on the OGS rate (See Schedule MAM-
14 2). This OGS population equates to approximately 32% of all SNG customers
15 (excluding transportation customers and inclusive of LOO customers).

16 **Q. WILL ANYTHING CHANGE FOR THESE CUSTOMERS?**

17 A. No. Customers that are currently on the OGS schedule will remain on whatever
18 OGS schedule results from this case. Going forward, new customers will not be
19 given the option to take service under the OGS rate.

20 **Q. PLEASE EXPLAIN THE MANAGEMENT POLICY DECISION TO REDUCE THE**
21 **CUSTOMER CHARGE BELOW WHAT WAS INDICATED IN THE ALLOCATED**
22 **CLASS COST-OF-SERVICE STUDY.**

1 A. SNG witness Mr. Taylor's class cost-of-service study and rate design (See
2 Schedule KDT-3 and Schedule KDT-4, Exhibit 2) indicated that residential monthly
3 customer charges should triple for the Gallatin and Rogersville Divisions,
4 quadruple for the Warsaw Division and increase by a factor of ten for the Branson
5 Division. The results of this study would have significantly increased the percent of
6 the Company's revenues that are recovered through the monthly customer charge
7 charges in the current rate structure. SNG continues to compete with alternative
8 fuels, primarily propane, in all of its service territories. A high customer charge
9 makes it more difficult for customers to compare natural gas and propane prices.
10 As a result, management modified the proposed rates in order to maintain the
11 ratio of revenues collected from fixed monthly fees to approximately 12% of
12 revenues.

13 **Q. WHAT IS THE RESULT OF THE RATE DESIGN THE COMPANY IS**
14 **PROPOSING?**

15 A. Table 1 provides the current and proposed rates.
16

Table 1: Current and Proposed Rates

Customer Class	Customer Charge		Commodity Charge (Ccf)	
	existing	proposed	existing	proposed
Gallatin				
GS- residential	\$ 15.00	\$ 20.00	\$ 0.4449	\$ 0.7214
GS-commercial	\$ 15.00	\$ 20.00	\$ 0.4449	\$ 0.7214
CS	\$ 24.53	\$ 50.00	\$ 0.5027	\$ 0.6860
LVS	\$ 81.77	\$ 300.00	\$ 0.5027	\$ 0.4045
ISS	\$ 204.42		\$ 0.4415	\$ -
TS	\$ 204.42	\$ 300.00	\$ 0.5027	\$ 0.4886
Warsaw				
GS- residential	\$ 15.00	\$ 15.00	\$ 0.5500	\$ 0.9500
GS-commercial	\$ 15.00	\$ 15.00	\$ 0.5500	\$ 0.9500
CS	\$ 30.00	\$ 30.00	\$ 0.6000	\$ 1.0000
LVS	\$ 100.00	\$ 100.00	\$ 0.6000	\$ 1.0000
TS	\$ 200.00	\$ 100.00	\$ 0.6000	\$ 1.0000
Rogersville				
GS-residential	\$ 10.00	\$ 20.00	\$ 0.4660	\$ 0.7396
GS - residential - optional	\$ -	\$ -	\$ 0.7060	\$ 1.2055
GS-commercial	\$ 15.00	\$ 40.00	\$ 0.4630	\$ 0.6848
GS-commercial - optional	\$ -	\$ -	\$ 0.7030	\$ 1.2686
LGS	\$ 50.00	\$ 50.00	\$ 0.4300	\$ 0.6067
LVS	\$ 300.00	\$ 300.00	\$ 0.4180	\$ 0.5759
TS (note 2)	\$ 300.00	\$ 300.00	\$ 3.6900	\$ 5.2063
Branson				
GS-residential	\$ 10.00	\$ 20.00	\$ 0.5660	\$ 0.9396
GS - residential - optional	\$ -	\$ -	\$ 0.8060	\$ 1.4055
GS-commercial	\$ 15.00	\$ 40.00	\$ 0.5630	\$ 0.8848
GS-commercial - optional	\$ -	\$ -	\$ 0.8030	\$ 1.4686
LGS	\$ 50.00	\$ 50.00	\$ 0.5300	\$ 0.8067
LVS	\$ 300.00	\$ 300.00	\$ 0.5180	\$ 0.7759
TS (note 1)	\$ 300.00	\$ 300.00	\$ 4.7150	\$ 7.2063

Notes: (1) transportation rate proposed to a volumetric from a heating value basis.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

IV. RETURN ON EQUITY

Q. WHAT RETURN ON EQUITY IS SNG SEEKING?

A. The Company is seeking a return on equity of 12.00%

Q. IS THIS THE ROE SUPPORTED BY THE COMPANY'S EXPERT WITNESS?

A. No. Company witness Mr. James Anderson recommends a 15% ROE in his direct testimony.

Q. DOES SNG HAVE CHARACTERISTICS THAT MAKE IT DIFFERENT FROM OTHER MISSOURI LOCAL DISTRIBUTION COMPANIES?

A. Yes. SNG does not look similar to any other Local Distribution Company ("LDC") in Missouri. SNG builds to, and provides service to, customers that otherwise would not have had natural gas available due to difficult construction conditions and the distance between customers. SNG witness Anderson's Direct Testimony explains the higher risk associated with the Company's approach.

Q. IF MR. ANDERSON SUGGESTS A 15% ROE, WHY IS SNG PROPOSING 12%?

A. While the Company believes the risks outlined in Mr. Anderson's testimony justify an even higher return on equity, the Company is seeking an ROE of 12.00% because it balances the interest of the ratepayers, our investors and of the market for competitive fuels.

V. TARIFF REVISIONS

Q. IS THE COMPANY PROPOSING CHANGES TO ITS TARIFF STRUCTURE AS A

1 maintaining service.

2 • Changes to balancing provisions, including a tiered cash-out
3 provision. The imbalance tiers are set in five percent increments with
4 determinants based on beginning storage weighted average cost of gas
5 (“WACOG”), actual purchase WACOG, and the Purchase Gas Adjustment (PGA)
6 in effect at that time. The new tariff language includes formulas for calculating
7 positive and negative imbalances.

8 • Revisions to the scheduling and nominations sections of the
9 transportation tariff in order to make the process more consistent with those of
10 pipeline suppliers.

11 • The removal of the billing service option.

12 In addition to these, revisions have also been proposed to the Missouri School
13 Program Transportation Rate Schedule (Sheet Nos.45 - 49, P.S.C. MO No. 3).

14 **Q. WHY ARE CHANGES TO THE MISSOURI SCHOOL PROGRAM BEING**
15 **PROPOSED?**

16 A. The Company agreed in Case No. GR-2012-0123 to work with Staff on revising
17 these terms.

18 **Q. WHAT CHANGES TO THE PROGRAM ARE BEING PROPOSED?**

19 A. The Company is proposing to remove the term “Pilot” from the title of all school
20 aggregation tariff sheets, as the Company no longer views this as an experimental
21 tariff rate as it has been in place for several years. Other proposed changes
22 include general clean-up of the language in the availability section, and revisions

1 to the nomination and balancing procedures to make them consistent with the
2 nomination and balancing procedures in the general transportation tariff. In
3 addition, revisions were made to the billing section in order to remove the
4 provision billing monthly commodity charges. The Capacity Release provisions
5 have been simplified to defer to the effective Pool Operator Agreement. All
6 capacity release actions will be done in accordance with the Pool Operator
7 Agreement on file. In addition, the Company is requesting to remove the reporting
8 requirements from the program. SNG provides information concerning the school
9 aggregation tariff in the annual ACA filings via Staff data requests. The reporting
10 mechanism is duplicative of this process.

11

12

VI. INTRODUCTION OF WITNESSES

13 **Q. WHAT OTHER COMPANY WITNESSES ARE TESTIFYING IN SUPPORT OF**
14 **THIS RATE PROCEEDING?**

15 **A.** A list of Company witnesses and the subject matter of their testimony is provided
16 below.

17

18

19

20

Ms. Martha R. Wankum, Manager, Regulatory Affairs for Summit Utilities, Inc., will present the Company's proposal to consolidate existing Missouri tariff books and request approval of a new residential energy efficiency incentive program.

21

22

Mr. Kent D. Taylor, Chairman of KTM, will present the Company's class cost of service principles and summary, as well as the classification categories

1 and rate design.

2 Mr. James M. Anderson, Senior Vice President of Municipal Capital
3 Markets Group, Inc. will sponsor the Company's proposed return on equity and
4 risk profile.

5 Mr. Tyson D. Porter, Regulatory Accountant for Summit Utilities, Inc. will
6 explain the Company's analytical process and present the revenue sufficiency
7 study.

8 Ms. Alicia L. Picard, Controller, Summit Utilities, Inc. will present the
9 Company's depreciation books and records.

10 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

11 A. Yes.

Statement of Qualifications

MICHELLE A. MOORMAN

I began my employment with Summit Utilities, Inc. in 2010. I am currently the Director of Regulatory Affairs. My responsibilities include oversight of the multi-jurisdictional department, and maintaining compliance with state and federal regulatory requirements as well as financial and environmental state statutes in multiple Divisions.

Prior to working at Summit Utilities, Inc. I was employed as a Case Specialist under the Regulatory and Government Affairs Department for Public Service Company of Colorado, a subsidiary of Xcel Energy Services, Inc. In that position, I was responsible for developing support and testimony and managing cases related to the company's renewable energy standards and policies.

From 2003 to 2008, I worked as a Production Engineer in natural gas, electric and hydro-electric generating facilities for Xcel Energy Service, Inc. In that position, I was responsible for analyzing failures and making recommendations as to the operating procedures of the generating facilities.

I earned my degree in Metallurgical and Material Engineering with minors in Economics and Public Affairs from the Colorado School of Mines, in Golden, Colorado.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Summit Natural Gas of)
Missouri Inc.'s Filing of Revised Tariffs) Case No. GR-2014-0086
To Increase its Annual Revenues For)
Natural Gas Service)

AFFIDAVIT OF MICHELLE A. MOORMAN


STATE OF COLORADO)
) ss
COUNTY OF JEFFERSON)

Michelle A. Moorman, being first duly sworn on her oath, states:

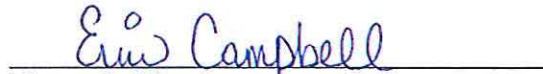
1. My name is Michelle A. Moorman. I work in Littleton, Colorado and I am employed by Summit Utilities, Inc. as the Director of Regulatory Affairs.

2. Attached hereto and made a part of hereof for all purposes is my Direct Testimony on behalf of Summit Natural Gas of Missouri, Inc. consisting of 21 pages, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


Michelle A. Moorman

Subscribed and sworn to before me this 2nd day of January, 2014.


Notary Public

My commission expires: 6/7/2016



Customer Information Report																	
Summit Natural Gas of Missouri Schedule MAM-2																	
As Of : 09/30/2013																	
	A	B	C	D	E	F	G	H	I	J	K	L	M	O	P	Q	
	Total Potential Customer Base	Potentials Not Served	1/01/2013 Starting Total Meters	Contracts W/O Service Lines	Customers Walking on Conversion	Active Meters	In-Active Meters	In-Active Seasonal Meters	Total Meters	Total Meters and Contracts	Budget Total Meter Goal 12/31/2013	2013 Annual Growth Goal	Sign-ups to Goal 12/31/2013 (under)	Meters to Goal (under)	Penetration Rate %	Total Customers to Budget %	
Formula		A-H							H+H	D,E,F,G,H			K-J	K-I	I/A	I/K	
Summit Natural Gas of Missouri, Inc.																	
Hamilton	Residential	1600	84	1504	8	0	1224	267	17	1508	1516	1505	1	11	3	95%	101%
	Small Commercial-GS	225	2	217	2	0	190	26	5	221	223	219	2	4	2	92%	102%
	Commercial-CS	55	5	51	0	0	50	0	0	50	50	52	1	(2)	(2)	91%	96%
	Large Commercial-LVS	2	1	1	0	0	1	0	0	1	1	1	0	0	0	50%	100%
	Transport	5	0	5	0	0	5	0	0	5	5	5	0	0	0	100%	100%
Warsaw	Residential	1000	14	931	35	6	799	125	21	945	986	968	37	18	(23)	99%	102%
	Small Commercial-GS	230	1	222	5	1	192	27	4	223	229	222	0	7	1	100%	103%
	Commercial-CS	38	0	33	2	0	35	0	1	36	38	35	2	3	1	100%	109%
	Large Commercial-LVS	25	0	22	1	0	24	0	0	24	25	22	0	3	2	100%	114%
	Transport	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%
Lake of the Ozarks	Residential	4500	1597	0	1039	569	1266	23	6	1295	2903	4200	4200	(1297)	(2905)	65%	69%
	Small Commercial	500	2	0	224	134	137	3	0	140	498	481	481	17	(341)	100%	104%
	Commercial-LGS	180	83	0	73	13	11	0	0	11	97	158	158	(61)	(147)	54%	61%
	Large Commercial-LVS	15	12	0	3	0	0	0	0	0	3	15	15	(12)	(15)	20%	20%
	Transport	1	1	0	0	0	0	0	0	0	1	1	1	(1)	(1)	0%	0%
Mtn Grove	Residential	3500	709	2853	9	2	2497	255	28	2780	2791	3250	397	(459)	(470)	80%	86%
	Residential - Optional	2600	117	2388	79	0	2183	210	11	2404	2483	2388	0	95	16	96%	104%
	Small Commercial	982	324	672	6	0	598	29	25	652	658	675	3	(17)	(23)	67%	97%
	Small Commercial - Optional	230	3	193	16	0	189	15	7	211	227	193	0	34	18	99%	118%
	Commercial-LGS	45	17	29	0	0	28	0	0	28	28	29	0	(1)	(1)	62%	97%
	Large Commercial-LVS	4	0	2	0	0	4	0	0	4	4	2	0	2	2	100%	200%
	Transport	75	7	70	0	0	68	0	0	68	68	70	0	(2)	0	91%	97%
Lebanon	Residential	2500	217	2201	42	1	2092	134	14	2240	2283	2260	59	23	(20)	91%	101%
	Residential - Optional	2415	(20)	2262	116	0	2055	251	13	2319	2435	2300	38	135	19	101%	106%
	Small Commercial	650	177	457	16	0	413	32	12	457	473	472	15	1	(15)	73%	100%
	Small Commercial - Optional	205	(2)	157	26	0	167	11	3	181	207	171	14	36	10	101%	121%
	Commercial-LGS	50	4	35	6	0	39	1	0	40	46	41	6	5	(1)	92%	112%
	Large Commercial-LVS	14	2	11	0	0	12	0	0	12	12	11	0	1	1	86%	109%
	Transport	35	8	28	0	0	27	0	0	27	27	31	3	(4)	0	77%	87%
Branson	Residential	500	92	402	13	0	351	38	6	395	408	434	32	(26)	(39)	82%	94%
	Residential - Optional	131	(4)	103	10	0	113	11	1	125	135	104	1	31	21	103%	130%
	Small Commercial	200	6	173	18	0	173	3	0	176	194	183	10	11	(7)	97%	106%
	Small Commercial - Optional	45	3	20	5	0	33	3	1	37	42	22	2	20	15	93%	191%
	Commercial-LGS	135	4	120	8	0	116	6	1	123	131	128	8	3	(5)	97%	102%
	Large Commercial-LVS	8	8	0	0	0	0	0	0	0	0	0	0	0	0	0%	#DIV/0!
	Transport	20	5	6	0	0	14	0	1	15	15	6	0	9	9	75%	250%
SNG-M Total		22720	3479	15168	1762	726	15106	1470	177	16753	19241	20654	5486	(1413)	(3901)	74%	93%
Summit Utilities Total		22720	3479	15168	1762	726	15106	1470	177	16753	19241	20654	5486	(1413)	(3901)	74%	93%

Notes:
 1. Potential customer counts are conducted each winter for all residential/commercial structures located in front of existing main lines.
 2. Active meters are customers with meters that are unlocked and are using natural gas.
 3. In-active customers are customers with service lines who's meter may be locked off due to non-payment or the seasonality of the residence.