

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

In the Matter of the Application of)	
Laclede Gas Company to Change its)	
Infrastructure System Replacement)	Case No. GO-2015-0343
Surcharge in its Missouri Gas Energy)	
Service Territory.)	

**MOTION TO REJECT TARIFF AND
ALTERNATIVE MOTION FOR EVIDENTIARY
HEARING AND CONSOLIDATION WITH GO-2014-0341**

COMES NOW the Missouri Office of the Public Counsel (“Public Counsel”) and for its Motion to Reject Tariff and Alternative Motion for Evidentiary Hearing and Consolidation with Case No. GO-2014-0341, states:

1. On August 3, 2015, Missouri Gas Energy (MGE) filed an application to change its Infrastructure System Replacement Surcharge (ISRS) and proposed tariff changes (Tariff No. YG-2016-0042) to effectuate the surcharge increase as authorized by § 393.1009, § 393.1012, and § 393.1015, RSMo. The Commission suspended the proposed tariff sheet until December 1, 2015.

2. Since MGE’s last rate case, MGE was granted authority in October 2014 to establish the ISRS surcharge (Case No. GR-2015-0025). In May of this year, MGE sought to increase the surcharge and Public Counsel opposed MGE’s proposal because it sought to include \$919,754 in costs that were incurred and documented *after* MGE filed its application (Case No. GO-2015-0179). MGE withdraw the tariff filing and re-filed its ISRS request without the late-filed costs, and the Commission approved the revised ISRS tariff sheet on May 13, 2015 (Case No. GO-2015-0270). MGE’s current petition brings

the disputed issue back to the Commission for resolution in that MGE again seeks to recover costs that were incurred and/or documented after MGE filed its petition.

Motion to Reject Tariff

3. OPC moves the Commission to reject the Application because it does not comply with § 393.1015.1(1), RSMo, which requires:

At the time that a gas corporation files a petition with the commission seeking to establish or change an ISRS, it shall submit proposed ISRS rate schedules and its supporting documentation regarding the calculation of the proposed ISRS with the petition, and shall serve the office of the public counsel with a copy of its petition, its proposed rate schedules, and its supporting documentation.

[emphasis added]. The statute requires MGE to submit its proposed rate schedule and supporting documentation with the petition. MGE's application, however, states that "MGE submits this Application to change its ISRS to reflect these additional investments covering the period of March 1, 2015 through June 30, 2015, *with pro-forma ISRS costs updated through August 31, 2015*" [emphasis added]. Appendices A and B to MGE's petition state that MGE seeks to include "estimates" for "July Additions" of \$1,912,710 and "August Additions" of \$5,211,188, which make up \$7,123,898 of MGE's total requested ISRS of \$15,099,280, or 47% of MGE's total ISRS. In other words, half of the costs MGE seeks to recover through this ISRS are not supported by MGE's August 3, 2015 petition. MGE does not cite to any authority that would lawfully authorize MGE to recover costs that were incurred after it filed the petition, or costs for which documentation was not provided with the petition. Accordingly, MGE's attempt to include adjustments to its petition and proposed ISRS surcharge after the petition was filed is unlawful and, therefore, the tariff should be rejected.

4. MGE's petition also violates Commission Rule 4 CSR 240-3.265(20) that establishes the "minimum" filing requirements for ISRS petitions:

(20) At the time that a natural gas utility files a petition with the commission seeking to establish, change or reconcile an ISRS, it shall submit proposed ISRS rate schedules and its supporting documentation regarding the calculation of the proposed ISRS with the petition, and shall serve the office of the public counsel with a copy of its petition, its proposed rate schedules and its supporting documentation. The subject utility's supporting documentation shall include workpapers showing the calculation of the proposed ISRS, and shall include, at a minimum, the following information:

The Commission's rule lists in 4 CSR 240-3.265(20)(A) through (L) all of the minimum information that must be filed with the petition. The required documentation and workpapers associated with the costs that MGE seeks to include after the petition was filed were not provided with the petition, and, therefore, MGE is not in compliance with the rule for these additional costs. The rule provides detail as to what documentation must be filed "for each project for which recovery is sought" and requires documentation of the "net original cost of the infrastructure system replacements..., the amount of related ISRS costs that are eligible for recovery during the period in which the ISRS will be in effect, and a breakdown of those costs identifying which...project categories apply and the specific requirements being satisfied by the infrastructure replacements for each." 4 CSR 240-3.265(20)(K). MGE did not provide this information with its petition for costs added after the petition was filed. Accordingly, MGE's tariff change should be rejected as unlawful because it seeks to include costs that cannot lawfully be included in the ISRS.

5. The ISRS statutes and the Commission's rules contemplate a process whereby the gas company files all documentation necessary to support the entirety of the amount the company seeks to recover through the surcharge. This filing triggers the 120-

day window in which the documents are to be evaluated, and if necessary, challenged before the Commission. Any delay in providing the supporting documentation cuts short Public Counsel's ability to adequately analyze the proposal, and raises serious questions of MGE's customer's due process rights under the ISRS statutes.

6. Public Counsel continues to review MGE's petition and the costs MGE seeks to include in its ISRS. Public Counsel may challenge additional costs as it reviews the lengthy list of costs MGE claims are eligible for ISRS recovery.

**Alternative Motion for Evidentiary
Hearing and Consolidation with GO-2015-0341**

7. Public Counsel is currently challenging similar costs in Case No. GO-2015-0341 that Laclede Gas Company seeks to recover through its ISRS for the Laclede Gas Company service territory. Laclede seeks to include costs incurred after the petition was filed for both the MGE service territory and the Laclede service territory. These two cases present related questions of law and fact, and are on the same timeline for consideration since the Commission suspended the proposed tariff change in both cases until December 1, 2015. If the Commission denies Public Counsel's motion to reject the tariff change, Public Counsel moves the Commission to set this matter for an evidentiary hearing and consolidate Case Nos. GO-2015-0341 and GO-2015-0343 (*See* 4 CSR 240-2.110(3)). If consolidated, the procedural scheduled ordered in Case No. GO-2015-0341 should also apply to the issues raised in Case No. GO-2015-0343.

WHEREFORE, the Office of the Public Counsel respectfully requests that the Commission reject the tariff, or in the alternative, schedule this matter for an evidentiary hearing and consolidate Case Nos. GO-2015-0341 and GO-2015-0343.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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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 26th day of August 2015:

/s/ Marc Poston
