

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

TRANSCRIPT OF PROCEEDINGS
Prehearing Conference
September 2, 2010
Jefferson City, Missouri
Volume 1

In the Matter of

Missouri Gas Energy's)	
Tariff Sheets Designed to)	
Increase the Rebate Level)	File No. GT-2011-0049
for Tank Water Heaters)	

NANCY DIPPELL, Presiding
DEPUTY REGULATORY LAW JUDGE

REPORTED BY:
NANCY L. SILVA, CCR
TIGER COURT REPORTING, LLC

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1 JUDGE DIPPELL: Let's go ahead and go on
2 the record.

3 This is Case No. GT-2011-0049 in The
4 Matter of Missouri Gas Energy's Tariff Sheets
5 Designed to Increase the Rebate Level for Tank
6 Water Heaters.

7 My name's Nancy Dippell. I'm the
8 regulatory law judge assigned to this matter, and
9 I asked you all here today or directed you here
10 today to discuss this case and how it will proceed
11 forward.

12 I'm going to begin with entries of
13 appearance, and if you gave a written entry with
14 your address and stuff, that's not necessarily to
15 repeat on here.

16 If you just want to state your name and
17 who you're representing, that would work. Great.
18 I'll start with staff.

19 MS. SHEMWELL: Good morning, Judge
20 Dippell, and thank you.

21 Lera Shemwell representing the staff of
22 the Missouri Public Service Commission.

23 JUDGE DIPPELL: And OPC.

24 MR. POSTON: Marc Poston appearing for
25 office of the Public Counsel and the public.

1 JUDGE DIPPELL: And DNR.

2 MS. MANGELSDORF: Sarah Mangelsdorf
3 appearing for the Missouri Department of Natural
4 Resources.

5 JUDGE DIPPELL: And the company.

6 MR. JACOBS: Todd Jacobs from Missouri
7 Gas Energy.

8 MR. COOPER: Dean Cooper also for
9 Missouri Gas Energy.

10 JUDGE DIPPELL: All right. Well, the
11 first question I have on my list is, Is a
12 September 14 hearing possible? That's what I put
13 in the order, but as sort of a reservation date
14 operating under a 30-day tariff suspension.

15 MR. JACOBS: Judge, we want to inform the
16 Court that we plan to withdraw the tariffs as an
17 issue in this case.

18 JUDGE DIPPELL: Okay.

19 MR. JACOBS: One of the things that was
20 noted by the Commission was that, really, our SGS
21 incentive program is being held up by this issue,
22 and we want to separate the issues and clarify the
23 issue for the Commission, so we plan to do that
24 this week as to withdraw the -- I'm sorry -- to
25 file the substitute tariffs, basically, in this

1 case.

2 JUDGE DIPPELL: Okay.

3 MR. JACOBS: So there would be a tariff
4 that would be filed just for the SGS class, and
5 then we would file a separate tariff that would
6 only focus on the increase for that tank water
7 heater, which seems to be the primary issue of
8 Public Counsel.

9 JUDGE DIPPELL: And does Public Counsel
10 think that that will sufficiently separate those
11 issues if they handle it in that manner?

12 MR. POSTON: I think so, yeah.

13 JUDGE DIPPELL: Okay.

14 So then you would see proceeding just on
15 the tank water heater issue. Then would the
16 substitute tariffs on the tank water heater then
17 have a longer effective date or what?

18 MR. JACOBS: I think that we would -- I
19 think that that would be the case. We want the
20 SGS to go into effect immediately, because I don't
21 think there's any issue related to it.

22 And then, really, the question about the
23 tank water heater we would -- we'd have to set a
24 procedural schedule on that.

25 JUDGE DIPPELL: Okay.

1 MR. JACOBS: And we'd like to move
2 forward fairly quickly with that, if possible.

3 JUDGE DIPPELL: And I think the
4 Commission would want to do that, too. For one
5 thing, just looking at the calendar, more great
6 cases and so forth coming after the first of the
7 year, in December and so forth, so it probably
8 would be best to try to handle something like this
9 issue -- which is a relatively small issue
10 compared to some of those kinds of cases -- as
11 quickly as possible, if that's possible, because I
12 know you-all are all -- maybe not MGE, but
13 everybody else in the room is involved in the
14 other rate case issues as well.

15 MS. SHEMWELL: With a single discrete
16 issue. I think that it could go fairly quickly,
17 however, the 14th I'm going to be headed to
18 Washington D.C.

19 JUDGE DIPPELL: Okay. Well, like I say,
20 I put that in there just to get something on the
21 calendar, but hearing that the tariffs are going
22 to be altered and so forth, I think that can go
23 away and you-all can discuss what dates work good
24 for you.

25 And just think about the kind of evidence

1 then. There were a lot of facts alleged in the
2 pleadings and stuff, and as I was reading them,
3 you know, about whether this rebate is good or bad
4 or indifferent, I'd like to see the evidence to
5 support all of those conclusions and allegations
6 when you come to the Commission to support why you
7 think this rebate amount is just or not.

8 And another issue that came up was about
9 the standard. What exactly -- I guess I'm a
10 little confused in a tariff of this sort, which
11 isn't actually a rate tariff, what the standard
12 would be.

13 There was a question as to whether the
14 tariff was effective or not effective if the
15 standard -- the burden would switch from the
16 company to OPC, and I'm not exactly clear on what
17 the legal standard should be for the Commission
18 then determining this, so if you can offer me some
19 guidance on that point along the way, that would
20 be helpful as well.

21 Is there anything else, then, that we
22 need to discuss on the record?

23 (No response.)

24 JUDGE DIPPELL: All right. Well, in that
25 case, I will look for something from you-all

1 within a week on a procedural schedule.

2 Is that doable, Ms. Shemwell?

3 MS. SHEMWELL: I'm thinking, perhaps, a
4 tariff should be filed first and then we can look
5 at the tariffs, and perhaps within ten days after
6 filing of -- the filing of the tariffs and
7 recommendations on that.

8 MR. JACOBS: That's fine. I don't know
9 if we need to have another prehearing conference
10 if we can work it out and present the schedule to
11 you and move forward from there.

12 JUDGE DIPPELL: Okay. I was just trying
13 to figure out when I would expect to see something
14 then. When do you think you'll have the new
15 tariffs filed?

16 MR. JACOBS: Today. I mean, we can get
17 it done this week.

18 JUDGE DIPPELL: Okay. We'll look for
19 that this week and -- or at least by Monday or
20 Tuesday. I guess Monday's a holiday.

21 And then if you-all can --

22 MS. SHEMWELL: I've got the 17th.

23 JUDGE DIPPELL: Okay. The 17th for a
24 procedural schedule?

25 MR. POSTON: I want to clarify that

1 refiling. will that keep this same case or will
2 that cancel out this case and we'd have to file a
3 new motion?

4 JUDGE DIPPELL: I think you can keep it
5 in this case. You might want to -- just to be on
6 the safe side, you might want to just renew your
7 objection.

8 MR. POSTON: Right.

9 JUDGE DIPPELL: Then they file the
10 substitute tariff, and that's clear.

11 MR. POSTON: Okay.

12 JUDGE DIPPELL: But I think we can do
13 those tariff filings and do them in this case
14 without having to open up a new case. They'll get
15 assigned a new tariff number but --

16 MR. COOPER: Yeah, we can -- I don't know
17 if we need to talk about it on the record -- maybe
18 we can talk about it when we go off the record,
19 but just the -- sort of the logistical steps to
20 getting that done. It might be worthwhile to talk
21 about a little bit, because presumably if we
22 substitute and there's no objection, then, to the
23 then-existing tariffs, we've got to get somehow to
24 an effective date, I guess, an undoing of the
25 suspension and to hopefully put a quick effective

1 date on those.

2 JUDGE DIPPELL: If you-all also will
3 agree to the effective date of the
4 noncontroversial tariff, if you want to expedite
5 that, we can do that.

6 You could just tell me that you have
7 agreed to that and then the Commission could find
8 good cause to expedite that. Even though it's
9 been here for more than 30 days already, it would
10 just be in a little bit different format so --
11 but, yeah, you can discuss it, and if you have any
12 questions about the technical stuff, you can call
13 me later, too, if you need to know.

14 If the data center calls you with
15 questions, say, Judge Dippell told us to do it
16 this way.

17 Anything else?

18 (No response.)

19 JUDGE DIPPELL: All right. I appreciate
20 you all coming in and trying to work that out, and
21 I look forward to hearing from you.

22 We can go off the record.

23 (The hearing concluded.)

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CERTIFICATE OF REPORTER

I, Nancy L. Silva, CCR, within and for the State of Missouri, do hereby certify that the witness whose testimony appears in the foregoing hearing was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this hearing was taken, and further, that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Nancy L. Silva, CCR

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