

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

In the Matter of the Application of)
Summit Natural Gas of Missouri, Inc.,)
for a Variance from the Provisions of) **Case No. GE-2018-0193**
Commission Rule 4 CSR 240-10.030(19))

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Recommendation* in this matter hereby states:

1. Summit Natural Gas of Missouri, Inc. (SNGMO) filed an *Application for Variance* January 15, 2018, requesting the Commission order a variance from 4 CSR 240-10.030(19) regarding gas meter inspection and testing procedures to ensure compliance with the requirements of section 18 of the same rule. The Commission ordered Staff to review the *Application* and file a recommendation or an alternative pleading, which Staff now files.

2. Section (18) of 4 CSR 240-10.030 requires among other things that all gas meters in service which do not meet accurate measurement requirements within an error margin of 2% must be removed from service.

3. Section 19 of 4 CSR 240-10.030, which SNGMO requests a variance from, requires gas meters to be periodically removed, inspected and tested at least once every 120 months, or as often as the results obtained from testing may warrant, to ensure compliance with the provisions of section (18) of this rule, Section 19 includes the caveat, “unless otherwise ordered by the commission.”

4. As noted in SNGMO's application, the Commission has previously granted variances from 4 CSR 240-10.030(19) for Ameren, Empire (now Liberty), Atmos (now Liberty), Laclede (now Spire East) and MGE (now Spire West).

5. Staff notes, however, that SNGMO's proposal differs in methodology and approach from each of the other gas meter testing variances that the Commission has previously granted. The Commission approved variances are based on documented statistical sampling methods, whereas SNGMO's approach proposes a variable interval method.

6. Staff has concerns with SNGMO's variance proposal as filed; the differences in SNGMO's proposed methodology from those utilities' previously approved for variances, and the limited amount of evidence SNGMO has provided to support the validity of its proposed method. This has led Staff to recommend that the Commission should reject the *Application*. However, Staff believes that a variance from the requirements of section 19 would be beneficial to both SNGMO and its customers.

7. Staff has spoken with SNGMO and the parties have agreed they are willing to work together to develop a procedure that will address Staff's concerns and be consistent with the requirements in other Commission approved variances from 4 CSR 240-10.030(19). Staff asks that the Commission leave this docket open to permit this further discussion. Staff and SNGMO hope to timely file a Stipulation and Agreement reflecting a new testing methodology and recommendations for SNGMO going forward. Should the parties be unable to reach an agreement, they commit to filing a pleading informing the Commission of such and requesting that the file be closed.

WHEREFORE, Staff recommends that the Commission reject SNGMO's *Application for Variance*; leave this docket open to permit the parties to file either a Stipulation and Agreement or a pleading asking the Commission to close the file; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 12th day of April, 2018, to all counsel of record.

/s/Whitney Payne