

**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) File No. GE-2018-0193
from the Provisions of Commission Rule)
20 CSR 4240-10.030(19))

RESPONSE TO STAFF RECOMMENDATION

COMES NOW Summit Natural Gas of Missouri, Inc. (“SNGMO” or “the Company”), by and through undersigned counsel and hereby submits pursuant to 20 CSR 4240-2.080(13) its *Response to Staff Recommendation* (“Response”). In support thereof, SNGMO respectfully states as follows to the Missouri Public Service Commission (“Commission”):

1. On September 5, 2018, SNGMO’s Meter Sampling Test Program (“Meter Test Program”) and Catch-Up Program was approved by the Commission. The Meter Test Program provided for testing of a sampling of American AC-250 meters over a period of four years, beginning January 2019 and ending December 31, 2022. The Catch-Up Program provided for testing of non-American AC-250 meters over the same four-year period.

2. While the Company was able to hit its target threshold in the first program year in 2019, SNGMO has since experienced operational limitations in reaching the thresholds established in the Meter Test Program stemming from the COVID-19 pandemic. For the safety of its customers and employees the Company sought and obtained two variances from the meter testing goals, first in 2020 and again in 2021. While these waivers relieved the Company of the obligation to meet its target threshold, they did not modify the program completion date. The fact that the program completion date would need to be modified in the future was referenced in the Company’s *Second Motion for Variance*, Paragraph 12 where the Company noted that it had effectively lost nearly two years of its testing program and while it did not seek relief regarding the target

completion date at that time, it would need to address the deadline in the future.

3. Given that SNGMO continued to face the same operational limitations stemming from COVID-19 going into 2022, additional supply constraint issues, along with the Company's loss of nearly two years of testing under both the Meter Test Program and the Catch-Up Program, it was clear the Company was not going to complete either program as originally scheduled. Accordingly, the Company's *Third Motion for Variance* was filed on November 22, 2022. In the Company's filing, the Company requested that the target deadline for the Meter Test Program and Catch-Up Program be reset to December 31, 2025 (three years). This would allow the Company three years to complete testing under both programs.

4. On January 27, 2023, Staff filed its Recommendation, in which it recommended that a variance be granted for both programs but that the testing be completed in two-years. Staff recommends a minimum testing threshold of 2,600 meters a year for both programs. However, in order to complete the Meter Test Program and the Catch-Up Program in the two-year timeframe recommended by Staff, the Company would have to test nearly 2,900 meters a year to hit the target deadline.

5. In coming up with its minimum threshold, Staff noted the Company's "demonstrated ability to test over 2,800 AC-250 meters" in the 2019 program year. In addition, Staff uses the 2018 stipulation target of 2,632 annual AC-250 meter tests to support its recommendation. However, this recommendation does not take into account the circumstances the Company is now facing.

6. Staff notes in its Recommendation that while the Company's application discusses operational limitations, the length of the COVID-19 pandemic, and third-party testing restrictions as reasons for its inability to complete both programs, there may be other factors that have inhibited

the Company's meter testing programs¹. Staff is correct that there are additional limitations the Company has faced related to the COVID-19 pandemic. Through data requests and a technical conference attended by Staff and the Office of the Public Counsel, the Company explained that the COVID-19 pandemic has also caused significant supply constraints on the Company's ability to obtain the necessary amount of meters and Encoder Receiver Transmitters ("ERT") needed to conduct the meter testing. This issue began in late 2020 and is ongoing to date. The Company has experienced delays in the delivery of scheduled ERTs and meters as long as 18 months. While the operational constraints that once existed have as of recent greatly laxed, the supply issue still persists.

7. The Company is willing to attempt completion of the testing thresholds in the two-year period recommended by Staff, but under the circumstances that exist today, the Company has real concerns about its ability to access the amount of meters and ERTs needed to meet this aggressive timeline. Absent a dramatic change in supply circumstances, the Company is not confident that the Meter Test Program and Catch-Up Program can be completed in two-years and may need to ask for additional time in the future.

8. Further, the Company agrees to Staff's recommendation that the Company file more detailed annual reports and believes this to be a reasonable request.

WHEREFORE, SNGMO respectfully moves the Commission to accept this response and

¹ Staff's Official Case File Memorandum, Page 6. Case No. GE-2018-0193.

such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

By: 

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**ATTORNEYS FOR SUMMIT NATURAL
GAS OF MISSOURI, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following counsel this 6th day of February, 2023:

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