

In the Matter of an Investigation into the )  
 Interruption of Summit Natural Gas of Missouri, Inc.'s ) **File No. GO-2018-0195**  
 Gas Deliveries in the Lebanon, Missouri Region )

**COMES NOW** the Staff of the Missouri Public Service Commission, through the undersigned counsel, and states as follows:

1. On January 18, 2018, the Commission issued an *Order Opening an Investigation* (“Order”) which stated that “It has come to the Commission’s attention that Summit Natural Gas of Missouri, Inc. has recently interrupted gas deliveries to certain transportation customers in its Rogersville service division, including the Lebanon, Missouri area.”

2. In the Order the Commission directed Staff “to investigate the situation to determine whether any tariff provisions, legal requirements, or reliability standards have been violated” and ordered Staff to “undertake an investigation of Summit Natural Gas of Missouri, Inc.’s recently imposed curtailments of natural gas service to certain transportation customers in the Lebanon, Missouri area.”

3. The Order further provided that “Staff shall file a progress report regarding its investigation no later than January 25, 2018.” Staff submits this Progress Report pursuant to the Order.

4. Representatives of Staff have spoken briefly with representatives of Summit Natural Gas of Missouri, Inc. (“Summit” or “Company”) concerning the situation

as well as with one customer who recently experienced interruption<sup>1</sup> of gas deliveries; however, much investigation remains to be done.

5. For example only, Staff will need to determine the cause of the interruption(s) – whether they were related to capacity issues or supply issues, or both; whether there were operational issues with the Company’s system; and how the Company dealt with the situation and interacted with its customers. Stated somewhat simply, Staff needs to understand the basic “who, what, when, where, why, and how” information related to this situation. At this time Staff believes that it is likely that some of this information will be operational in nature and some of this will be related to customer experience, or administrative, matters. Staff will also need to understand any corrective measures the Company is taking/has taken, and determine any corrective measures Staff believes need to be pursued.

6. Staff also needs to understand the “who, what, when, where, why, and how” information in order “to determine whether any tariff provisions, legal requirements, or reliability standards have been violated” as directed in the Order, and to determine whether it is appropriate to institute complaint or contested case procedures as addressed in the Order. Staff has begun to examine Summit’s tariff regarding interruption and curtailment of service but needs further information in order to form an opinion as to whether any tariff provisions were violated. So far, Staff has identified the provisions of Summit’s tariff set forth below as potentially relevant to the situation; however, until Staff receives additional information and develops a more complete understanding of the situation, Staff will not know which tariff provisions are called into question and whether any tariff provisions were violated:

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<sup>1</sup> For purposes of this Progress Report, the terms “interruption” and “curtailment” may be used interchangeably.

### **Tariff Sheet 31:**

#### **Transportation Service (TS)**

##### **Character of Service**

Service provided under this schedule shall be subject to interruption or curtailment due to system capacity or supply constraints, to be determined in the Company's sole discretion reasonably exercised in accordance with the Company's Gas Rules and Regulations and with the terms and, if applicable, conditions of the Company's transportation tariff.

### **Tariff Sheets 37-38:**

#### **Transportation Service (TS)**

##### **Operational Flow Order:**

Shipper shall be responsible for complying with the directives set forth in any Operational Flow Order (OFO) issued by the Company or Interconnecting Party. The Company will issue an OFO to alleviate conditions that, in the sole judgment of the Company, jeopardize the operational integrity of Company's System required to maintain system reliability. Upon issuance of an OFO, the Company will direct Shipper to comply with one of the following conditions: (a) Shipper must take delivery of an amount of natural gas from the Company that is no more than the hourly or daily amount being delivered by the Interconnecting Party to the Company for the Shipper; or (b) Shipper must take delivery of an amount of natural gas from the Company that is no less than the hourly or daily amount being delivered by the Interconnecting Party to the Company for the Shipper. Provision of oral notice by telephone to Shipper shall be deemed as proper notice of an OFO. Shipper shall respond to an OFO by either

adjusting its deliveries into Company's System or its consumption at the End User facility. Should Shipper be unable to deliver sufficient volumes of transportation gas to Company's System, the Company will not be obligated hereunder to provide standby quantities for purposes of supplying such End User's requirements.

All volumes taken by End User in excess of volumes delivered by Interconnecting Party to Company for Shipper in violation of the above "condition (a)" OFO shall constitute an unauthorized delivery by Shipper on the Company's System. All volumes taken by Shipper less than volumes delivered by Interconnecting Party to Company for Shipper in violation of "condition (b)" OFO shall constitute an unauthorized delivery by Shipper to Company. Shipper shall be charged the greater of \$35.00 per Mcf or 125% of the actual charge made to Company by the Interconnecting Party, plus any other charges applicable under this tariff for such unauthorized receipts or deliveries that occur during the OFO. Company will not be required to provide service under this tariff to any Shipper that does not comply with the terms or conditions of an OFO. Payment of charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

#### Priority of Service

The Capacity Interruption of gas deliveries in whole or in part under these terms and conditions shall not be the basis for claims for damages sustained by Shipper or Receiving Party. Specific Interruption of transportation service shall be made in the following order:

- (a) Authorized Imbalance Resolution Gas under Interruptible Transportation Service Agreements prorated based on confirmed nominations for each Shipper;
- (b) Authorized overrun Deliveries in excess of the Maximum Daily Transportation Quantity under Interruptible Transportation Service Agreements prorated based on confirmed nominations.
- (c) All other interruptible transportation service at a discounted rate by order of the rate being paid by Shipper for the transportation service from lowest to highest. If two or more Shippers are paying the same discounted rate then the Capacity Interruption shall be prorated based upon confirmed Nominations.
- (d) All interruptible transportation service at the standard rate prorated on the basis of confirmed Nomination;
- (e) Nothing in this provision shall limit Company's right to interrupt service as necessary in order to ensure system integrity or to reflect the operational characteristics of Company's System.

#### Capacity Interruptions

Company shall have the right to interrupt the transportation of gas for Shipper, when necessary, due to lack of capacity, or to test, alter, modify, enlarge, or repair any facility or property comprising a part of its System, or otherwise related to the operation thereof. Except in cases of emergency, the Company shall endeavor to give advance notice to Shipper of its intention to interrupt the transportation of gas, stating the anticipated timing and magnitude of such Capacity Interruption. Except as set forth above, Company shall have no other responsibilities to Shipper for any alterations or

repairs and shall have no liability for any losses or damages whatsoever occasioned by such alterations or repairs.

**Tariff Sheet 42:**

**Transportation Service (TS)**

**Force Majeure**

Neither the Company nor Shipper shall be liable in damages to the other for any act, omission or circumstances occasioned by, or in consequence of, any acts of God, any acts of third parties selling, delivering or transporting gas to or for Shipper, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, temporary failure of gas supply, the binding order of any court of governmental authority, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the one claiming suspension and which, by the exercise of due diligence, it is unable to prevent or overcome.

**Tariff Sheet 62:**

**Rules and Regulations**

**(2) General**

The Company shall furnish service under its Rate Schedules and these Rules and Regulations as authorized by Public Service Commission of the State of Missouri. Copies of these as filed are available at the offices of the Company.

The Rules and Regulations shall govern except as modified by special terms and conditions of the individual rates or written contracts.

Certain classes of customers may qualify for service under more than one rate schedule. The availability of rates and the conditions under which they are applicable are set forth in the rate schedules of the Company.

**Tariff Sheet 87:**

**Rules and Regulations**

**(29) Emergency Curtailment Plan**

In the event curtailment is warranted, commercial and industrial customers having facilities wherein the interruption thereof will not imperil human life or health will be interrupted first in a sequence of largest to smallest. Service will be restored in the reverse order.

7. Staff anticipates that obtaining the necessary information will require multiple data requests to Summit. Staff proposes to file a Status Report in this matter on February 28, 2018. At that time, Staff hopes to be able to provide the Commission a full explanation of the “who, what, when, where, why, and how” regarding Summit’s recent curtailments of natural gas service to certain transportation customers in the Lebanon area; Staff’s determination as to whether any tariff provisions were violated; and any operational recommendations Staff may have to hopefully prevent such a situation in the future. In addition, Staff hopes to be able to file any administrative/customer experience recommendations Staff may have *prior* to that date. However, Staff’s ability to do so will depend on the timeliness and completeness of Summit’s responses to data requests, which is addressed further below.

## **REQUEST TO SHORTEN RESPONSE TIME TO DATA REQUESTS**

8. Commission Rule 4 CSR 240-2.090(2) provides that parties shall have twenty (20) days to answer or ten (10) days to object to data requests *unless otherwise ordered by the Commission*. As discussed above, in order to conduct a meaningful investigation of this matter Staff anticipates multiple data requests to Summit. In order to do so quickly, and by the dates set forth in paragraph 7 above, will require that Summit respond fully and completely to those data requests, and that such responses be provided more quickly than set forth in 4 CSR 240-2.090(2). Therefore, Staff requests the Commission order Summit to provide answers to data requests within ten (10) days and objections within five (5) days.<sup>2</sup>

**WHEREFORE**, Staff requests that the Commission accept this Progress Report pursuant to the Commission's Order issued January 18, 2018, and further requests that the Commission issue an order which (1) orders Summit to provide answers to data requests within ten (10) days and objections within five (5) days in this docket and (2) grants Staff until February 28, 2018, to file a further Status Report resulting from its investigation of this matter.

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<sup>2</sup> In the event that specific individual data requests require slightly more time to answer than 10 days, Staff will work with Summit to obtain the necessary information when additional time may be needed. However, Staff would expect Summit to make every reasonable effort to respond within the 10 day time frame.



Respectfully submitted,

**/s/ Jeffrey A. Keevil**

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Missouri Public Service  
Commission

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record, counsel for Summit Natural Gas of Missouri, Inc. and the Office of the Public Counsel this 25th day of January, 2018.

**/s/ Jeffrey A. Keevil**