

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

In the Matter of)	
Summit Natural Gas of Missouri Inc.'s)	<u>File No. GR-2014-0086</u>
Filing of Revised Tariffs to Increase Its)	Tracking No. YG-2014-0285
Annual Revenues for Natural Gas Service)	

**LIST OF ISSUES, LIST AND ORDER OF WITNESSES,
ORDER OF OPENING AND ORDER OF CROSS-EXAMINATION**

COMES NOW the Staff (Staff) of the Missouri Public Service Commission (Commission), by and through counsel, and on behalf of the parties in this case— Summit Natural Gas of Missouri (SNGMO), the Office of The Public Counsel (OPC), the Missouri School Boards' Association (MSBA), the Missouri Department of Economic Development, Division of Energy (DE), and the Missouri Propane Gas Association (MPGA)—and hereby submits the following List of Issues, List and Order of Witnesses, Order of Opening and Order of Cross-Examination:

List of Issues

I. Rate of Return

A. What is the appropriate cost of capital that the Commission should apply in this case to determine a revenue requirement for SNGMO?

- i. What is the appropriate cost of common equity?
- ii. What is the appropriate cost of long-term debt?

B. What capital structure should the Commission use in this case to determine a revenue requirement for SNGMO?

II. Revenue Requirement

- A. Should the Commission grant the Company a rate increase? If so, in what amount?
- B. Should school accounts be based on the GS and CS rate classes?
- C. How should the revenue be adjusted for customers switching rate classes during the test year?
- D. What level of O&M expense should be utilized in determining a cost of service for SNGMO?
- E. What depreciation rates should SNGMO use to accrue depreciation expense for each rate district on a going-forward basis?
- F. Should SNGMO make an adjustment to its depreciation reserves in the former MGU districts as recommended by Staff?
- G. Should SNGMO make an adjustment to Account 302?
- H. Should the Commission require SNGMO to impute a level of volumes, customer levels, and/or revenues in any of the four rate divisions in this rate case?
- I. How should the former SMNG assets be booked to plant in service in light of MGU's merger with SMNG that was approved in GM-2011-0354?
- J. How should weather be normalized for purposes of calculating test year revenue?

III. Misc. Tariff Issues

- A. Should the Commission approve SNGMO's proposed Conversion Program?
- B. What conversion costs should SNGMO be required to charge?
- C. Should SNGMO's conversion practices be revised?

D. Should SNGMO be required to revise its tariff provision that requires applicants for gas service to agree not to use propane inside any structure using natural gas?

IV. Transportation Issues

A. How should SNGMO calculate cashouts of transportation customer monthly imbalances?

B. Should the monthly transportation imbalances be cashed out using the three tiers proposed by SNGMO?

C. What cashout price determinant should SNGMO reference to calculate the cashout of the transportation monthly imbalances?

D. Should school transportation pool groups that do not require daily metering be cashed out differently than other transportation customer monthly imbalances?

E. Should the school transportation customers' monthly imbalances be cashed out at Tier-1?

F. Should the school transportation customers' monthly imbalances be cashed out using a different cashout price determinate than the other transportation customers?

G. Should the monthly imbalance cashout include pipeline fuel, pipeline capacity and pipeline commodity charges?

H. What Pool Operator charge or Administration and Balancing Charge should be included?

I. Should SNGMO's tariffs include a standard Pool Operator Agreement?

J. Should SNGMO continue to use its Pre-Determined Pipeline Algorithm (PDA)?

K. Should SNGMO be required to monitor school imbalances?

L. Should SNGMO's tariff include consistent definitions for "Shipper," "Customer," "Participant" and "School District"?

M. Should SNGMO's tariff add language requiring telemetry for schools with certain volumes?

N. Should the following language be added to SNGMO's proposed tariff sheet No. 49?

"10. Delivery Priority

Each Shipper taking service under the Missouri School Program will possess the same delivery priority as retail sales customers to the extent The Pool Operator delivers and is allocated natural gas to the TBS from the upstream pipeline."

O. Should SNGMO add the following language to its tariffed capacity release provisions for schools' transportation service?

"To the extent that the Company has excess capacity available that may be released, any capacity released by the Company to the Pool Operator will be released for the full term of that capacity and will be non-recallable for the term of the agreement. Any capacity released by the Company to the Pool Operator will be released at the full demand rate charged by the upstream pipeline and the Pool Operator is directly responsible for any commodity related charges imposed by the upstream pipeline."

V. Rate Design

A. What is "rate shock"? If it exists, should the Commission address rate shock in this case and, if so, how?

B. How should any rate increase/decrease be applied to volumetric and monthly charges?

C. What billing determinants should be used for ratemaking purposes?

D. What customer charges should be paid by schools in the Missouri School Aggregation Program?

E. Should schools be billed a different customer and volumetric charge than would be applied to the customer class that SNGMO and Staff placed the schools in their Class Cost of Service Studies?

VI. Energy Efficiency/Low Income Weatherization Programs

A. Should the Commission approve an Energy Efficiency Collaborative for SNGMO?

B. What programs, if any, should the Commission authorize?

C. What funding level, if any, should the Commission authorize?

D. How should SNGMO recover funding for any programs?

E. Should the Commission direct SNGMO to enter into a funding agreement with the Division of Energy for administration and monitoring of programs?

F. If the Commission approves an energy efficiency program, what measures should be included in the program?

List and Order of Witnesses

Monday, August 18

Opening Statements: Summit Natural Gas of Missouri, Inc. (SNGMO), Staff, OPC, MSBA, DE, MPGA

Rate of Return Issues (Return on Equity; Cost of Debt; and, Capital Structure)

SNGMO: Anderson, Lawler¹

Staff: Murray

¹ Mr. Lawler is only available later in the week and is scheduled to appear on Friday. At that time, he will be available for cross-examination on both Rate of Return Issues and the Merger Purchase Price issue.

Tuesday, August 19

Rate Increase Request/Amount

Rate increase/amount; Rate switchers; Weather Normalization; O&M expense; Depreciation; Amortization and, Imputation of minimum level of volumes:

SNGMO Witnesses: Johnston, Porter, Picard²

Staff Witness: McMellen, Kliethermes, Robinette, Fortson, Bocklage, Won

OPC Witness: Roth, Meisenheimer

MSBA: Ervin³

MPGA Witness: Brooks

Warsaw/Branson Reductions:

SNGMO Witness: Johnston, Porter

Staff: McMellen, Jenkins (capacity utilization calculations)

OPC: Meisenheimer

Wednesday, August 20

Miscellaneous Tariff Issues

Promotional Practices and Conversion Issues:

SNGMO: Moody, Wankum

OPC: Meisenheimer

MGPA: Brooks

² Ms. Picard will not be available until Thursday and Friday. She will be taken out of order at that time.

³ Mr. Ervin is not available until Wednesday. At that time, he will be available for cross-examination on both the scheduled issue and the Rate Increase Request/Amount issues.

Transport Issues:

Imbalance Cashout Price Determinants; Tier 1 cashout for monthly metered schools; Cashout inclusion of pipeline fuel, pipeline capacity and pipeline commodity charges; Pool Operator Charge; Pool Operator Agreement; PDA; Imbalance Monitoring; Telemetry; Delivery Priority; Definitions of Shipper, Customer, Participant and School District; and, Capacity Release.

SNGMO: Nitura, Taylor

Staff: Jenkins, Lock, Cox

MSBA: Ervin (in afternoon)

Thursday, August 21

Rate Design and Rate Shock

Straight fixed variable; Customer charges; Billing determinants; Customer Charges for schools; and, Equal percentage application of any rate increase.

SNGMO: Taylor, Porter

Staff: Warren, McNutt, Lock

OPC: Meisenheimer

MSBA: Ervin

Class Cost of Service, Mismatch of CCOS and Monthly/Volumetric Charge for Schools

SNGMO: Taylor, Porter

Staff: McNutt, Imhoff

MSBA: Ervin

Friday, August 22

EE/LIWP Issues: (Funding/Amounts; Programs; and, Cost Treatment)

SNGMO: Wankum

Staff: Boustead, Imhoff

OPC: Marke

DE: Buchanan, Gassner

Miscellaneous Tariff Issues (continued)

**Miscellaneous Charges; Rates in Ccf; Lake of the Ozarks Transportation Rate;
and, Commodity Flex Rate**

SNGMO: Wankum

Staff: Cox, Ensrud

OPC: Meisenheimer

Rate Increase Request/Amount (Continued)

Merger Purchase Price

SNGMO: Lawler

Staff: McMellen

OPC: Roth, Meisenheimer

Order of Cross

SNGMO witnesses: DE, MPGA, MSBA, OPC, Staff
Staff witnesses: OPC, MSBA, DE, MPGA, SNGMO
OPC witnesses: Staff, MSBA, DE, MPGA, SNGMO
MSBA witnesses: DE, MPGA, SNGMO, Staff, OPC
DE witnesses: MSBA, MPGA, SNGMO, Staff, OPC
MPGA witnesses: Staff, OPC, MSBA, DE, SNGMO

WHEREFORE, Staff submits this List of Issues, List and Order of Witnesses, Order of Opening, and Order of Cross Examination for the Commission’s consideration.

Respectfully Submitted,

/s/ John D. Borgmeyer

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 14th day of August, 2014.

/s/ John D. Borgmeyer