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Mr. Mike Straub
Missouri Public Service Commission
200 Madison Street
Jefferson City, MO 65102

October 6, 2010

RE: OPC Response to Proposed PGA Rules, Case No. GW-2010-0224

Dear Mr. Straub:

The Office of the Public Counsel (OPC) would like to offer the following comments and suggested changes to the proposed PGA/ACA rules. We thank you for this opportunity to provide feedback.

4 CSR 240-3.242

- OPC suggests clarifying the sentence in 3.242(4)(A)3.

4 CSR 240-40.011(1) Definitions

- OPC proposes rearranging the definitions alphabetically.

Gas Corporation and Local Distribution Company – The term "gas corporation" is used only in the definition of LDC, and is not used elsewhere in either rule. OPC suggests eliminating this definition and modifying the definition of Local Distribution Company to be more specific, such as "a regulated gas corporation as defined by Section 386.020(18) RSMo that provides the retail sale and delivery of natural gas."

- **Actual Cost Adjustment (ACA)** – OPC proposes moving the language "There is no presumption of prudence for transactions with affiliate companies" out of the definition of ACA since it is not necessary for the definition. This sentence should be moved to Subsection (2) of 40.011 or to the end of the paragraph in 4 CSR 240-3.242(2).
- **ACA Factor** – includes the term "reconciliation" which appears to have been changed elsewhere in the proposed rule to "true-up."

- **Gas Costs** –OPC would like to see the following language reinserted somewhere in the rules, possibly under 40.011(2) or 3.242:

“The Company shall specify the account in which each gas cost is recorded and such recordkeeping shall be consistent with the Uniform System of Accounts as prescribed by the FERC consistent with 4 CSR 240-40.040. All costs which are not included in an LDC's Commission-approved tariff but for which the Company is requesting recovery through the PGA/ACA process shall be identified and recorded in separate subaccounts with sufficient detail to justify those costs as a gas cost.”

4 CSR 240-40.011(2) PGA Clause Availability

- OPC suggests reinserting the phrase "...in a general rate case, to each LDC as defined above. Only prudently incurred gas costs are recoverable in customer rates through this process." This language was in a prior draft and deleted from the 8/13/2010 draft.

4 CSR 240-40.011(6) Staff Review of ACA Period

- Proposed Rule 40.011(6)(3) states that the Staffs review includes "an examination of the LDC's review of the pipeline's and natural gas suppliers' charges or invoices for the volumes nominated and received at the proper contract rates." This implies that the Staff will review only what the LDC reviewed. OPC questions why the Staff should be **limited** in its review, and suggests that the Staff should review the actual supplier charges and invoices as well as any "LDC review" of charges and invoices.

4 CSR 240-40.011(7) Company Response to Staff Review

- The word "Company" is misspelled.

Exhibits I and II

- OPC proposes clarifying Exhibit I, lines 9.b. and 10.b., to make it clear that "average bill" is for *gas* only.

If you have any questions, please e-mail me at marc.poston@ded.mo.gov or call me directly at 573-751-5558.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc Poston", is written over a light gray rectangular background.

Marc D. Poston
Deputy Public Counsel