

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

In the Matter of a Workshop Docket to )  
Explore the Ratemaking Process ) Case No. AW-2019-0127

## COMMENTS OF THE MISSOURI INDUSTRIAL ENERGY CONSUMERS

**COMES NOW** the Missouri Industrial Energy Consumers (“MIEC”) and provides the following comments in response to the draft rule circulated by the Staff of the Commission and the subsequent workshop held on November 29, 2018.

## 1. General Concerns

The Staff's draft rule seems to have the singular goal of shortening the statutorily allowed 11 month rate case timeline. Simply curtailing the process does not make it more efficient, and increasing efficiency where possible should be the goal of this workshop. There are undoubtedly inefficiencies in the current rate case process. For example, the time for data request responses was established when much of the information had to be put together manually and then transmitted by mail. Today, many reports can be produced and transmitted electronically with a few clicks of a mouse, but the default response time in the Commission's rules has not changed. Establishing a more efficient discovery process could allow for a shorter rate case in some instances, or it could allow for a better result (*i.e.*, rates set based on more complete information).

The purpose of this workshop case should be to identify ways to make the rate case process more efficient. If significantly more efficient ways to process rate increase requests are identified, then the possibility of shortening the timeline could be considered.

The Staff proposal puts the cart before the horse by shortening the timeline without first identifying ways in which the same (or better) quality result can be achieved in a shorter time.

## **2. Regulations Should Not Mandate a Shorter Time than Allowed by Law**

Even if sufficient efficiencies can be identified to make it generally feasible to process a rate increase request in less than 11 months, there may very well be specific circumstances in a specific case to make it infeasible in that case. These circumstances could include particularly complex or novel issues specific to that case, the pressure from time constraints in other cases, and any number of other factors. The Commission cannot properly do its job if it ties one hand behind its back by mandating in all cases a rate case timeline shorter than the one that the legislature believes the Commission should be allowed to take. While it may be appropriate to establish a mechanism whereby the Commission can consider a utility request for a shorter timeline in a specific case, it is certainly not appropriate to mandate a shorter timeline or even to set one as a default.

## **3. Specific Efficiency Proposals**

Before a shorter rate case timeline can be considered, improvements in rate case processing need to be identified and tested. The best way to test them is to try them out -- individually or in combination -- in actual rate cases. A preliminary list of possible efficiency improvements could include:

Granting intervention requests in rate cases during the 60 day notice period. Once a utility has notified the Commission of its intent to seek a rate increase request, and once a potential party has identified an interest in the case and applied to intervene, such intervention could be granted before the actual rate increase request is filed. In this way, intervenors would be able to access workpapers and other documents supporting the rate

increase request on Day One rather than having to wait weeks before being granted the right to participate as is the current practice.

Initial set of standard data request (DR) responses submitted with utility rate case filing. The current practice in rate cases is for Staff to submit a fairly standard set of DRs in every rate case as soon as the case is filed. Responses to those DRs are due by rule 20 days later. A more efficient process would be to fully standardize those initial DRs (perhaps with a different standard set for gas, electric and water and sewer utilities, or even a different standard set for each large utility), and require responses to be submitted with the initial rate case filing. The Staff draft rule makes a tentative step in this direction, but the information specified in the draft rule is nowhere near comprehensive enough.

Shorten default time for discovery responses. As noted above, the default time for DR responses has not changed to reflect shorter times for both the production and transmittal of much of the data needed to process a rate increase request. The current default time of 20 days could be trimmed by a fourth to 15 days, or perhaps be cut in half to 10 days. As the issues are narrowed and defined by rebuttal and surrebuttal testimony, response times could be shortened further as is the general practice currently.

Non-Company direct testimony to include rebuttal to Company direct case. The current practice, codified in the Commission's rules, is for each non-Company party to file its direct case in chief first, and then later file a rebuttal case to the company's case in chief. These two filings could be combined into what is now the non-Company direct testimony, so that what is now the rebuttal round of testimony would consist of the Company's response to all of the non-Company parties, and responses of non-Company parties to other non-Company parties.

The non-Company initial testimony filing could address both revenue requirement issues and class cost of service and rate design issues. Specific schedules illustrating the effect of revenue requirement numbers on class cost of service proposals could be filed a week later.

Actual test year with one update. All Parties could use the same test year that the Company uses for its case in chief, and make proposed adjustments according to the actual amounts shown on the Company's books and records for that period. This would require the Company to file an actual test year with no budgeted amounts. Staff would also make one additional update filing which would be discreet adjustments to the test year filing of the Utility. This would be more efficient than the current practice in which the Staff creates an entirely new test year in its direct filing, which entails a huge amount of effort and creates two entirely different test years that are difficult and time-consuming to reconcile. Other parties could also present other update adjustments. Parties should have at least 30 days to review these filings. The Staff's (and other parties') update to the Company's test year would take the place of the current true-up.

#### **4. Conclusion**

The focus, at least initially, should move away from the Staff draft rule that simply shortens the timeline without creating any efficiencies to a process that identifies ways to increase efficiency and seeks to test them. Only after ways to make the process more efficient have been implemented should the focus turn to whether or not these efficiency improvements should lead to shorter rate cases. Additional workshop meetings could be helpful if the focus is on trying to make the rate case process more efficient instead of trying to cut the timeline and then somehow squeeze all of the deliverables into the shortened time.

WHEREFORE, the MIEC respectfully offers these comments.

Respectfully submitted,

BRYAN CAVE, LLP

By: /s/ Lewis Mills  
Lewis R. Mills, #35275  
221 Bolivar Street, Suite 101  
Jefferson City, MO 65101  
Telephone: (573) 556-6627  
Facsimile: (573) 556-7447  
E-mail:  
lewis.mills@bryancave.com

Diana M. Vuylsteke, # 42419  
211 N. Broadway, Suite 3600  
St. Louis, Missouri 63102  
Telephone: (314) 259-2543  
Facsimile: (314) 259-2020  
E-mail:  
dmvuylsteke@bryancave.com

Attorneys for the Missouri Industrial  
Energy Consumers

#### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 18<sup>th</sup> day of January 2019.

/s/ Lewis Mills