

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

In the Matter of the Application of)	
Summit Natural Gas of Missouri, Inc.)	<u>File No. GE-2020-0009</u>
for Waiver Concerning Commission Rule)	
4 CSR 240-3.235 and Rule 4 CSR 240-)	
3.275)	

**ORDER DIRECTING NOTICE,
AND SETTING DATES FOR INTERVENTION REQUESTS
AND STAFF RECOMMENDATION**

Issue Date: July 18, 2019

Effective Date: July 18, 2019

On July 15, 2019, Summit Natural Gas of Missouri, Inc. filed an application seeking a waiver of Commission Rule 4 CSR 240-3.235 and Rule 4 CSR 240-3.275, which require companies to submit a depreciation study, database, and property unit catalog no less often than every 5 years.

In its application, Summit requests this waiver of a depreciation study be applied until July 1, 2029. Summit also requests to be allowed to file and maintain general rate cases during this time period. Summit's application includes a request for waiver of the 60-day notice requirement of Rule 4 CSR 240-4.017(1).

Because Summit's application is relevant to its potential request for a rate increase, the Commission will afford an opportunity for intervention from those who might seek to intervene in the company's rate case.

The Commission will also direct that the Staff of the Commission file a response to Summit's application.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall provide a copy of this order and the Application to the county commissions of each county within Summit Natural Gas of Missouri, Inc.'s service areas.
2. The Commission's Public Information Office shall make notice of this order available to the members of the General Assembly representing the service area of Summit Natural Gas of Missouri, Inc., and to the news media serving those counties.
3. Any party wishing to intervene shall do so by filing a pleading no later than August 7, 2019, with:

Morris L. Woodruff, Secretary
Missouri Public Service Commission
Post Office Box 360
Jefferson City, Missouri 65102

Or by using the Commission's electronic filing and information system (EFIS).

4. The Staff of the Commission shall file a recommendation regarding Summit Natural Gas of Missouri, Inc.'s application no later than September 16, 2019.
5. This order shall become effective upon issuance.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Charles Hatcher, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri,
on this 18th day of July, 2019.

In the Matter of the Application of)
Summit Natural Gas of Missouri, Inc.)
for Waiver Concerning Commission) File No. _____
Rule 4 CSR 240-3.235 and)
Rule 4 CSR 240-3.275.)

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counties of Benton, Caldwell, Camden, Daviess, Douglas, Greene, Harrison, Howell, Laclede, Miller, Morgan, Pettis, Stone, Taney, Texas, Webster, and Wright, subject to the jurisdiction of the Commission as provided by law.

3. All correspondence, communications, notices, orders and decisions of the Commission with respect to this matter should be sent to the undersigned counsel and:

Summit Utilities, Inc.
Attn: Matthew Kaply
Senior Director, Regulatory Affairs
2 Delorme Drive
Yarmouth, Maine 04096
Telephone: (207) 781-1200 ext. 1430
Email: mkaply@summitnaturalgas.com

Summit Utilities, Inc.
Attn: Tyler Davis
Regulatory Affairs Specialist
2 Delorme Drive
Yarmouth, Maine 04096
Telephone: (207) 781-1200 ext. 1570
Email: tdavis@summitutilitiesinc.com

DEPRECIATION STUDY WAIVER

4. Commission Rule 4 CSR 240-3.235 concerns the subject of filing requirements for gas utility general rate increase requests. That rule provides as follows:

(1) In addition to the requirements of 4 CSR 240-3.030, any gas utility which submits a general rate increase request shall submit the following:

(A) Its depreciation study, database and property unit catalog. However, a gas utility need not submit a depreciation study, database or property unit catalog to the extent that the commission's staff received these items from the utility during the three (3) years prior to the utility filing for a general rate increase or before five (5) years have elapsed since the last time the commission's staff received a depreciation study, database and property unit catalog from the utility. The depreciation study, database and property unit catalog shall be compiled as follows:

1. The study shall reflect the average life and remaining life of each primary plant account or subaccount;

2. The database shall consist of dollar amounts, by plant account or subaccount, representing—

A. Annual dollar additions and dollar retirements by vintage year and year retired, beginning with the earliest year of available data;

B. Reserve for depreciation;

C. Surviving plant balance as of the study date; and

D. Estimated date of final retirement and surviving dollar investment for each warehouse, propane/air production facility, liquefied natural gas facility, underground natural gas storage facility, general office building or other large structure; and

3. The property unit catalog shall contain a description of each retirement unit used by the utility.

5. Commission Rule 4 CSR 240-3.275 concerns submission of gas utility depreciation studies and provides in relevant part as follows:

(B) A gas utility shall submit its depreciation study, database and property unit catalog on the following occasions:

2. Before five (5) years have elapsed since the last time the commission's staff received a depreciation study, database and property unit catalog from the utility.

6. In the absence of this requested waiver, SNGMo would be required to submit a depreciation study. However, SNGMo's assets remain relatively new for gas utility property. For this reason, SNGMo does not have a sufficient amount of historical plant information to utilize in performing a depreciation study. Given the lack of Company-specific historical information, the completion of a depreciation study would add expense without any corresponding benefit to SNGMo or its customers. It will likely be at least another ten (10) years before SNGMo has sufficient historical plant information to properly perform a Company-specific depreciation study.

7. Therefore, SNGMo hereby requests a waiver from Commission Rule 4 CSR

240-3.235 and 4 CSR 240-3.275, such that SNGMo is not required to submit a depreciation study until after July 1, 2029, and that will allow SNGMo to file and maintain general rate cases during that time without the submission of a depreciation study.

8. SNGMo was granted a similar request in Commission Case No. GE-2014-0010.¹ Therein, in conjunction with the waiver, the Commission ordered that SNGMo comply with the following conditions suggested by the Commission Staff:

- In its upcoming rate case, Summit will submit in Direct Testimony: a property unit catalog, reserves for depreciation, surviving plant balance, and estimated final retirement date and surviving dollar investment for each major facility or general office building.
- In its upcoming rate case, Summit will also submit in Direct Testimony: a working spreadsheet file containing a history of depreciation accruals by month for each unit of property contained in the continuing property record of each USOA plant account, beginning with the date of March 31, 2010, for the [Southern Missouri Natural Gas ("SMNG")] division, and September 30, 2007, for the MGU division, including any adjustments made by the company to accumulated reserves to correct for deficiencies.
- This waiver will apply only to rate cases filed by Summit in the calendar years 2013 or 2014 related to all or any of Summit's operating divisions, or until the Commission orders otherwise.
- Summit will provide a non-statistical depreciation review, preferably conducted by an experienced depreciation professional for the utility industry. The review by the depreciation professional would preferably include a tour of the MGU, SMNG and Lake Ozark physical plant, a review of current accruals and accumulated reserves, a review of retirement practices and records, and a review to justify or recommend changes to the depreciation rates currently in use by Summit. For the MGU and SMNG divisions, the review should provide a specific justification for each recommendation to adjust the FERC USOA plant account current depreciation rate or accumulated reserve amounts.
- Summit shall maintain continuing property records by FERC USOA account that include, but are not limited to, unit property descriptions, physical location, original cost, retirements, transfers, sales, cost of removal and salvage, in compliance with Commission rule 4 CSR 240-40.040 Uniform System of Accounts-Gas Corporations and 4 CSR 240-

¹ *Order Granting Application For Waiver of Commission Rule*, issued September 11, 2013.

3.235 and 4 CSR 240-3.275 Submission Requirements for Gas Utility Depreciation Studies.

- Summit shall account for all payment from other parties when Summit is required to remove, relocate, rearrange, reroute, or otherwise make changes in utility property, other than for purposes of rendering utility service, as credits to the depreciation reserve in compliance with Commission rule 4 CSR 240-040 Uniform System of Account-Gas Corporation and the company shall appropriately identify amounts in its Annual Reports.

- Summit shall establish and adopt accounting policies or procedures for separating/allocating removal costs of plant that is being retired from costs to install new plant.

- Summit shall continue to keep a separate accounting of its amounts accrued for recovery of its initial investment in plant from the amounts accrued for the cost of removal, consistent with the Commission's Third Report and Order in Laclede File No. GR-99-315.

9. SNGMo has complied with the conditions ordered by the Commission in Case No. GE-2014-0010. In conjunction with a grant of the requested waiver, SNGMo proposes that it be required to comply with similar conditions to those described above in regard to any general rate case that it may file during the period described above.

NOTICE WAIVER

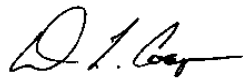
10. Rule 4 CSR 240-4.017(1) provides that “(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case.” A notice was not filed 60 days prior to the filing of this Application, and SNGMo seeks a waiver of the 60-day notice requirement.

11. Rule 4 CSR 240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. SNGMo declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 4 CSR 240- 4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, SNGMo

moves for a waiver of the 60-day notice requirement of Rule 4 CSR 240-4.017(1) and acceptance of this Application.

WHEREFORE, SNGMo respectfully moves the Commission to grant the Company a waiver from the requirements of Commission Rule 4 CSR 240-3.235 and Rule 4 CSR 240-3.275, as described herein.

Respectfully submitted,



Dean L. Cooper Mo. Bar 36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Telephone: (573) 635-7166
dcooper@brydonlaw.com

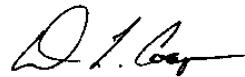
ATTORNEYS FOR SUMMIT NATURAL
GAS OF MISSOURI, INC.

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 15th day of July, 2019:

General Counsel's Office
staffcounsel@psc.mo.gov

Office of the Public Counsel
opcservice@ded.mo.gov



VERIFICATION

STATE OF COLORADO)
) ss
COUNTY OF JEFFERSON)

I, Matthew Kaply, having been duly sworn upon my oath, state that I am the Senior Director of Regulatory Affairs of Summit Natural Gas of Missouri, Inc., and that the matters and things stated in the foregoing pleading are true and correct to the best of my information, knowledge, and belief, and that I am authorized to execute this verification on behalf of Summit Natural Gas of Missouri, Inc. ("SNGMo"). Additionally, no representative of SNGMo has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 4 CSR 240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.


Matthew Kaply
Senior Director of Regulatory Affairs

Subscribed and sworn to before me, a notary public, on this 15th day of July, 2019.


Notary Public

My Commission expires: 1/4/21



STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 19th day of July 2019.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

July 19, 2019

File/Case No. GE-2020-0009

**Missouri Public Service
Commission**

Staff Counsel Department
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
staffcounselservice@psc.mo.gov

Office of the Public Counsel

Marc Poston
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

County of Benton, Missouri

County Commission Clerk
316 Van Buren Street - Benton
County Courthouse
P.O. Box 1238
Warsaw, MO 65355

County of Caldwell, Missouri

County Commission Clerk
PO Box 67
49 E Main, Caldwell County
Courthouse
Kingston, MO 64650

County of Camden, Missouri

County Commission Clerk
1 Court Circle, Ste. 2
Camdenton, MO 65020

County of Daviess, Missouri

County Commission Clerk
102 N Main
Daviess County Courthouse
Gallatin, MO 64640

County of Douglas, Missouri

County Commission Clerk
203 S.E. Second Ave., Douglas
County Courthouse
P.O. Box 398
Ava, MO 65608

County of Greene, Missouri

County Commission Clerk
940 Boonville, Rm. 113
Greene County Courthouse
Springfield, MO 65802

County of Harrison, Missouri

County Commission Clerk
1500 Main, Harrison County
Courthouse
P.O. Box 525
Bethany, MO 64424

County of Howell, Missouri

County Commission Clerk
35 Court Square, Room 200
West Plains, MO 65775

County of Laclede, Missouri

County Commission Clerk
200 N. Adams Ave.
Laclede County Government
Center
Lebanon, MO 65536

County of Lawrence, Missouri

County Commission Clerk
1 E Courthouse Sq., Ste. 101
Lawrence County Courthouse
Mt. Vernon, MO 65712

County of Miller, Missouri

County Commission Clerk
2001 Hwy. 52, Miller County
Courthouse
PO Box 12
Tuscumbia, MO 65082

County of Morgan, Missouri

County Commission Clerk
100 E Newton St.
Morgan County Courthouse
Versailles, MO 65075

County of Pettis, Missouri

County Commission Clerk
415 S. Ohio
Pettis County Courthouse
Sedalia, MO 65301

County of Stone, Missouri

County Commission Clerk
PO Box 45
Stone County Courthouse
Galena, MO 65656

County of Taney, Missouri

County Commission Clerk
266-A Main Street, Taney County
Courthouse Annex
PO Box 156
Forsyth, MO 65653

County of Texas, Missouri

County Commission Clerk
210 N. Grand
Texas County Courthouse
Houston, MO 65483
txcomo@centurytel.net

County of Webster, Missouri
County Commission Clerk
101 S. Crittendon St., Rm. 11
Webster County Courthouse
Marshfield, MO 65706

County of Wright, Missouri
County Commission Clerk
125 Court Square, Wright County
Courthouse
P.O. Box 98
Hartville, MO 65667

**Summit Natural Gas of
Missouri, Inc.**
Dean L Cooper
312 East Capitol
P.O. Box 456
Jefferson City, MO 65102
dcooper@brydonlaw.com

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

A handwritten signature in dark ink, reading "Morris L. Woodruff". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.