

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

In the Matter of the Commission’s Proposed)
Rule 20 CSR 4240-10.155 and Proposed)
Rescissions of 20 CSR 4240-20.015, 40.015,)
40.016, and 80.015 Relating to Affiliate)
Transactions for Electrical Corporations,)
Gas Corporations, Heating Companies,)
Certain Water Corporations and Certain)
Sewer Corporations)

Case No. OX-2025-0104

COMMENTS OF THE OFFICE OF THE PUBLIC COUNSEL

Pursuant to the Public Service Commission of the State of Missouri’s (the “Commission”) *Order Setting Hearings and Comment Period* filed in the above styled case on November 15, 2024, the Office of the Public Counsel (the “OPC”) submits these comments.

The OPC appreciates the opportunity to provide comments on the Commission’s Proposed Affiliate Transactions Rule (the “Proposed Rule”). Initially, the OPC is pleased that the Commission proposes expanding the Affiliate Transactions Rule to include large, regulated water and sewer utilities.¹ However, the OPC has concerns with other provisions of the Proposed Rule. Specifically, as explained in Attachment A, a memorandum authored by the OPC’s Ms. Lena Mantle, one of the authors of the original Affiliate Transactions Rules, the OPC has twenty suggested modifications to the Proposed Rule. These modifications range from adding definitions and eliminating unused terms, to some slightly more substantive modifications. The most substantive of the OPC’s suggestions is to append the currently proposed section (2)(F) to the end of section (2)(B). As explained more fully in Attachment B, a memorandum authored by Mr. John Clizer, Esq., the OPC is concerned that the currently proposed language of section (2)(F) will lead

¹ As the OPC’s Dr. Geoff Marke pointed out in his Direct Testimony in the prior Missouri American Water Company rate case, Case No. WR-2022-0303, prior to the Proposed Rule, the Commission’s Affiliate Transaction Rules did not apply to regulated water or sewer utilities. (Ex. 200 “Marke Direct Test.” 3, Case No. WR-2022-0303, Doc. 231). In that testimony Dr. Marke explains why it is important for the Commission to extend its Affiliate Transactions Rules to cover large, regulated water and sewer utilities.

to the elimination of the protection against providing affiliate entities with a financial advantage when a utility seeks to obtain corporate support services. However, by combining section (2)(F) with the currently proposed section (2)(B), it will make clear that, similar to the Commission's current affiliate transaction rules, the exemption for corporate support services does not extend to the prohibition against providing a financial advantage. As Attachment C, the OPC provides a document showing its proposed changes in redline to the Proposed Rule as published in the *Missouri Registrar*.

WHEREFORE, the OPC respectfully requests that the Commission consider these comments and make the changes suggested in Ms. Mantle's memorandum, as further explained by Mr. Clizer's memorandum, and as shown in the redline document.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this 6th day of December 2024.

/s/ Lindsay VanGerpen