

*Exhibit No.:*  
*Issue(s):* *Affiliated Transactions*  
*Witness:* *Jamie S. Myers*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Surrebuttal Testimony*  
*Case No.:* *GO-2012-0322*  
*Date Testimony Prepared:* *August 26, 2019*

**MISSOURI PUBLIC SERVICE COMMISSION**  
**COMMISSION STAFF DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**JAMIE S. MYERS**

**SUMMIT NATURAL GAS OF MISSOURI, INC.**

**CASE NO. GO-2012-0322**

*Jefferson City, Missouri*  
*August 2019*

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A. My name is Jamie S. Myers. My business address is 200 Madison Street,  
on City, Missouri 65101.

A. Yes.

A. The purpose of my surrebuttal testimony is to respond to the rebuttal testimony of Office of the Public Counsel's ("OPC") witness Robert E. Schallenberg. In conjunction, Staff Counsel Amanda C. McMellen is filing surrebuttal testimony also describing Staff's response to Schallenberg.

Q. What is Mr. Schallenberg's recommendation in this case?

Q. Does Staff agree with Mr. Schallenberg's recommendation?

1           A.     No. Staff's position is still that the Commission should approve the SNGMO CAM  
2 Mr. Birchfield filed in his direct testimony with the two modifications recommended in my rebuttal  
3 testimony filed in this case.

4           Q.     Please explain.

5           A.     Mr. Schallenberg states in his rebuttal testimony that there are instances where the  
6 proposed SNGMO CAM is deficient or non-compliant with the Commission's Affiliate  
7 Transactions Rule ("ATR") for gas utilities (4 CSR 240-40.015). While Staff witness McMellen  
8 details Staff's disagreement with Mr. Schallenberg's assessment in many of these instances,  
9 I provide Staff's response to Mr. Schallenberg's comments regarding how SNGMO maintains  
10 its books, accounts and records, and proposes to train and advise its personnel.

11          Q.     What does Mr. Schallenberg state about SNGMO's proposed CAM's  
12 recordkeeping practices?

13          A.     On page 13, lines 6-16, Mr. Schallenberg states that SNGMO's proposed CAM  
14 does not provide adequate assurance that SNGMO maintains its books, accounts, and records  
15 separate from its affiliates, as required by 4 CSR 240-40.015(4)(A) because Summit Utilities, Inc.  
16 ("SUT") employees maintain SNGMO's books, accounts, and records in a location that is not  
17 "controlled" by SNGMO.

18          Q.     Does Staff agree that the SNGMO CAM's recordkeeping practices are inconsistent  
19 with 4 CSR 240-40.015(4)(A)?

20          A.     No. The rule requires the following:

21                   (4)Record Keeping Requirements

22                           (A) A regulated gas corporation shall maintain books, accounts and  
23                           records separate from those of its affiliates.

1 As Mr. Birchfield stated on page 7 of his direct testimony, and as well on TAB J of the proposed  
2 CAM attached to his direct testimony, SUI (the parent company of SNGMO and its affiliates)  
3 maintains each affiliate's books and records separately. The language in TAB J further states that  
4 each will be maintained so affiliate transactions are auditable on SNGMO's books. The language  
5 in TAB J of SNGMO's CAM is consistent with the plain reading of the record keeping  
6 requirements in 4 CSR 240-40.015(4)(A). Mr. Schallenberg's assertions on page 13, lines 9-10 of  
7 his rebuttal testimony are inconsistent with what the plain language of the rule requires.

8 Q. Does Staff share the concerns Mr. Schallenberg expresses on page 14, lines 1-8 of  
9 his testimony regarding "compliance with the Rule's training and personnel practices"?

10 A. No. In regard to training, 4 CSR 240-40.015(9) states the following:

11 (9) The regulated gas corporation shall train and advise its personnel as to  
12 the requirements and provisions of this rule as appropriate to ensure  
13 compliance.

14 Staff's position is that SNGMO has adequately addressed the requirements in 4 CSR 240-40.015  
15 (9) as noted in TAB I of the CAM attached to Mr. Birchfield's direct testimony:

16 A CAM Team will be created to monitor and review affiliated transactions  
17 to ensure compliance with the Affiliate Transactions Rule.

18 \*\*\*\*\*

19 All SNGMO and affiliate employees engaged in or supporting affiliate  
20 transactions will be required to complete training regarding proper  
21 compliance with the Affiliate Transactions Rules, including approved  
22 variances. The training is mandatory for all SNGMO and SUI employees  
23 engaged in or supporting affiliate transactions and requires passing a test  
24 following completion of the training and a compliance questionnaire and  
25 certification.

26 Training materials will be developed with Staff and OPC input to provide  
27 greater assurance that SNGMO has an appropriate training program.

1           Q.     If Staff disagrees with the concerns stated in Mr. Schallenberg's rebuttal testimony  
2 what is Staff's position on SNGMO's CAM?

3           A.     Staff recommends the Commission approve the CAM attached to SNGMO witness  
4 Mr. Birchfield's direct testimony with the modifications noted in the rebuttal testimonies of Ms.  
5 McMellen and myself. With those modifications it is Staff's position SNGMO's proposed CAM  
6 is consistent with the Commission's ATRs for gas utilities, 4 CSR 240-40.015.

7           Q.     Does this conclude your surrebuttal testimony?

8           A.     Yes.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**


In the Matter of the Application of Summit       )  
Natural Gas of Missouri, Inc. for Approval of       )  
its Cost Allocation Manual                               )  
Case No. GO-2012-0322

**AFFIDAVIT OF JAMIE S. MYERS**

STATE OF MISSOURI       )  
                                      )  
COUNTY OF COLE       )  
                                      ss.

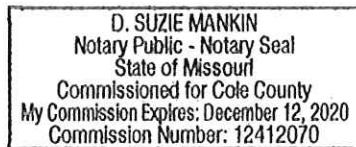
**COMES NOW** Jamie S. Myers and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing Surrebuttal Testimony and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
Jamie S. Myers

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22<sup>nd</sup> day of August, 2019.



  
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Notary Public