

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

In the Matter of the Application of The Empire District)	
Electric Company, The Empire District Gas Company,)	
Liberty Utilities (Midstates Natural Gas) Corp., and)	<u>Case No. AO-2017-0360</u>
Liberty Utilities (Missouri Water) LLC for Approval of)	
Their Cost Allocation Manual)	

STATUS REPORT AND JOINT MOTION TO STAY PROCEEDING

COME NOW, the Staff of the Missouri Public Service Commission (“Staff”), The Empire District Electric Company (“Empire Electric”), The Empire District Gas Company (“Empire Gas”), Liberty Utilities (Midstates Natural Gas) Corp. (“Liberty Midstates”), and Liberty Utilities (Missouri Water) LLC (“Liberty Utilities”) (collectively, “Applicants”), the Office of the Public Counsel (“OPC”), and Midwest Energy Consumers Group (“MECG”) (collectively, “Parties”), by and through their respective counsel, and for this *Status Report and Joint Motion to Stay Proceeding*, state in support:

1. On June 30, 2017, the Applicants filed an Application with the Commission seeking approval of their Cost Allocation Manual (“CAM”). On July 3, 2017, the Commission set an intervention deadline of July 24, 2017, and on July 25, 2017, scheduled a procedural conference to be held on August 10, 2017.

2. On August 17, 2017, the Parties filed a joint motion asking the Commission to delay the filing of a procedural schedule indefinitely. On August 18, 2017, the Commission accepted the recommendation of the Parties and ordered Staff to file a status report on December 17, 2017. Staff filed further status reports on March 30, 2018, June 29, 2018, December 28, 2018, and June 27, 2019. On June 28, 2019, the Commission ordered Staff to file another status report by December 30, 2019.

3. Currently, the Commission has Affiliate Transactions Rules applicable to electric, gas, and heating utilities, as well as rules applicable to gas utilities with gas marketing operations, and electric, gas, and heating utilities with HVAC affiliates.

4. On June 27, 2018, the Staff filed a motion to open a working docket (which became File No. AW-2018-0394) indicating that the Staff was of the opinion that “there is, among other things, an opportunity to make the Commission’s rules easier to use” and also indicating the Staff’s belief that the seven different rules in place at the present time should be consolidated into three rules (one rule applicable to electric, gas, gas marketing, heating, and larger water and sewer corporations; one for smaller water and sewer corporations; and one for HVAC services affiliates). The approach taken by Staff’s motion would therefore apply the same rules (on whatever terms are ultimately decided on by the Commission) to the electric, gas, larger water, and larger sewer corporations operating in the state, including Ameren Missouri (both gas and electric), Evergy Missouri Metro (formerly Kansas City Power & Light Company) and Evergy Missouri West (formerly KCPL Greater Missouri Operations Company), Empire Electric, Empire Gas, Spire Missouri, Liberty Midstates, and Missouri-American Water Company, and Summit Natural Gas of Missouri. Since opening the workshop docket, Staff has collected comments from stakeholders about the above-referenced draft affiliate transactions rules it prepared and submitted in that working docket and has conducted a workshop.

5. On June 4, 2019, the OPC filed a petition asking the Commission to promulgate an affiliate transaction rule applicable to water and sewer corporations, expressing concern about the pace of progress of getting such affiliate transactions rules in place. The Commission denied OPC's rulemaking petition, but established a deadline

of September 16, 2019, for Staff to file a draft rule for electric, gas, gas marketing, heating, and large water and sewer utilities for the Commission's consideration. On that date, Staff filed its draft rule in File No. AW-2018-0394, and on December 9, 2019, interested stakeholders submitted further comments.

6. Once a proceeding on the Affiliate Transactions Rules is concluded, it is likely that there will be an updated and common set of Rules, which one can reasonably expect to contain differences from the current electric, gas, and heating rules that are in place, on which CAMs can then be based (and upon which any need for variances will need to be assessed).

7. The Parties recognize that the Affiliates Transaction Rules continue to be in place and to apply to Empire Electric's, Empire Gas', and Liberty Midstates' transactions. The Parties agree that staying this proceeding as requested herein does not prejudice any Party but rather improves the opportunity for all potentially impacted utilities and those utilities' stakeholders to fully participate in both the workshop process and in the formal rulemaking that is likely to follow. Further, the Parties note that similar motions to stay have been granted in Commission File Nos. GO-2012-0322 (*In the Matter of the Application of Summit Natural Gas of Missouri, Inc. for Approval of Its Cost Allocation Manual*) and EO-2017-0176 (*In the Matter of Union Electric Company d/b/a Ameren Missouri's Cost Allocation Manual (CAM)*).

WHEREFORE, Staff, the Applicants, OPC, and MCEG respectfully request that the Commission stay further proceedings in this docket until completion of the Affiliate Transactions Rules workshop docket and, ultimately, a formal rulemaking respecting Affiliate Transactions Rules.

Respectfully Submitted,

/s/ Mark Johnson

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 30th day of December, 2019.

/s/ Mark Johnson