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ORDER ESTABLISHING PROCEDURAL SCHEDULE

On November 26, 1997, the Staff of the Missouri Public Service Commission (Staff) and Office of the Public Counsel (Public Counsel) filed a proposed procedural schedule. The proposal indicates that Staff, Public Counsel, and the parties that have filed motions to intervene have agreed to recommend the following schedule:

MGE's direct testimony (ordered)	November 26, 1997
Direct testimony (all parties except MGE)	March 24, 1998
Direct testimony--rate design (all parties except MGE)	March 30, 1998
Prehearing Conference	April 6-10, 1998
Rebuttal testimony (all parties)	April 22, 1998
Surrebuttal testimony (all parties)	May 15, 1998
Hearing Memorandum and Case Reconciliation	May 20, 1998
Evidentiary Hearing (ordered)	May 26-June 3, 1998

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the parties to reconcile MGE's case with the Staff's and Public Counsel's cases and to avoid the unreconciled differences dispute which arose in MGE's last rate case.

On December 2 Missouri Gas Energy (MGE) filed a response to the proposed procedural schedule of Staff and Public Counsel. MGE argues in its response that the schedule proposed by Staff and Public Counsel is unreasonable because: (1) it allows only thirteen days between the filing of direct testimony of all parties other than MGE and the prehearing conference; (2) it leaves only seven days between the filing of rate design testimony of all parties and the prehearing conference which does not allow MGE enough time to absorb and understand the direct testimony of all the other parties in time to prepare for the prehearing; and (3) it provides MGE with just twenty-nine days to prepare rebuttal testimony to all of the parties' direct testimony and a full week of this time is to be devoted to the prehearing conference.

MGE proposes the following procedural schedule which it argues is far more reasonable than Staff's and allows sufficient time to understand the testimony of the other parties and negotiate intelligently:

MGE's direct testimony (ordered)	November 26, 1997
MGE's updated direct case	January 30, 1998
Direct testimony (all parties except MGE)	March 13, 1998
Direct testimony-rate design (all parties except MGE)	March 17, 1998
Prehearing Conference	April 6-10, 1998
Rebuttal testimony (all parties)	April 23, 1998
Surrebuttal testimony (all parties)	May 15, 1998
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Reconciliation

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As part of the procedural schedule, MGE requests that the Commission consider the use of discovery management tools. MGE requests specifically that it should not be required to respond to discovery requests between the filing of the direct testimony of other parties and the rebuttal testimony of MGE. MGE states this proposal is justified because MGE will have been subject to five and one-half months of audit (three and one-half months after the filing of its initial direct case and one and one-half months after the filing of its updated direct case) before the Staff and other parties file their direct testimony. At that point, MGE will have less than six weeks to put together its rebuttal testimony to all of the other parties' direct testimony, a full week of which will be devoted to the prehearing conference. MGE states there is no reason why the other parties cannot conduct discovery needed to prepare their direct and rebuttal cases within that time frame.

The Commission has reviewed the proposed schedules and finds the dates proposed by MGE are appropriate for this case. The Commission finds that MGE should be required to update its revenue requirement to reflect the Commission-ordered test year as requested by Staff and Public Counsel. The Commission determines that the discovery management proposal of MGE should not be adopted because limiting discovery for nearly six weeks may lead to further delays in this case. Therefore, the Commission adopts the proposed schedule of MGE without the discovery management proposal and determines that the following conditions should be applied to the schedule:

(1) The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. All parties shall comply with this rule, including the requirement that testimony be filed on line-numbered pages.

The practice of prefiling testimony is designed to give parties notice of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays caused by allegations of unfair surprise at the hearing.

(2) Testimony and schedules shall not be filed under seal and treated as proprietary or highly confidential unless a protective order has first been established by the Commission. The party that considers information to be proprietary or highly confidential should request a protective order. Any testimony or schedule filed without a protective order first being established shall be considered public information.

(3) The Commission will schedule a prehearing conference in this case to allow the parties the opportunity to resolve procedural and substantive issues.

(4) The parties shall file a hearing memorandum setting out the issues to be heard and the witnesses to appear on each day of the hearing, definitions of essential terms, each party's position on the disputed issues, and the order of cross-examination. The hearing memorandum will set forth the issues that are to be heard and decided by the Commission. Any issue not contained in the hearing memorandum will be viewed as uncontested and not requiring resolution by the Commission. Staff will be responsible for preparing and filing the hearing memorandum.

(5) The Commission wishes to emphasize the importance of filing the hearing memorandum on the date set by the Commission. Each party is directed to provide Staff with its position on each unresolved issue no later than two working days before the hearing memorandum is due. Staff is not responsible for including in the memorandum the positions of the parties that are not submitted when due.

(6) The Commission's general policy provides for the filing of the transcript within two weeks after the hearing. If any party seeks to expedite the filing of the transcript, such request shall be tendered in writing to the regulatory law judge at least five days prior to the date of the hearing.

(7) It is appropriate to limit the length of initial briefs to 100 pages and reply briefs to 50 pages. All pleadings, briefs and amendments shall be filed in accordance with 4 CSR 240-2.080. The briefs to be submitted by the parties shall follow the same format established in the hearing memorandum. Initial briefs must set forth and cite the proper portions of the record concerning the remaining unresolved issues that are to be decided by the Commission.

(8) All parties are required to bring an adequate number of copies of exhibits which they intend to offer into evidence at the hearing. If an exhibit has been prefiled, only three copies of the exhibit are necessary for the court reporter. If an exhibit has not been prefiled, the party offering it should bring, in addition to the three copies for the court reporter, copies for the five Commissioners, the regulatory law judge, and opposing counsel.

IT IS THEREFORE ORDERED:

1. That the following procedural schedule is established for this case:

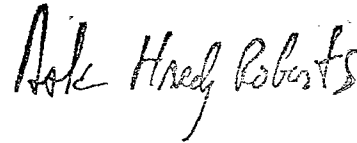
MGE's direct testimony	November 26, 1997
MGE's updated direct case	January 30, 1998
Direct testimony (all parties except MGE)	March 13, 1998
Direct testimony-rate design (all parties except MGE)	March 17, 1998

Prehearing Conference	April 6-10, 1998 (10:00 a.m. 1st day)
Rebuttal testimony (all parties)	April 23, 1998
Surrebuttal testimony (all parties)	May 15, 1998
Hearing Memorandum and Case Reconciliation	May 20, 1998
Evidentiary Hearing	May 26-June 3, 1998 (10:00 a.m. 1st day)

The prehearing conference and hearing will be held on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri. Any person with special needs as addressed by the Americans with Disabilities Act should contact the Missouri Public Service Commission at least ten (10) days prior to the hearing at one of the following numbers: Consumer Services Hotline -- 1-800-392-4211, or TDD Hotline -- 1-800-829-7541.

2. That this order shall become effective on December 16, 1997.

BY THE COMMISSION



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Gregory T. George, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1),
(November 30, 1995) and Section 386.240,
RSMo 1994.

Dated at Jefferson City, Missouri,
on this 16th day of December, 1997.