

Exhibit No.: _____
Issue: Class Cost-of-Service and Rate Design
Witness: Kent D. Taylor
Exhibit Type: Direct
Sponsoring Party: Summit Natural Gas of Missouri, Inc.
Case No.: GR-2014-0086
Date: January 2, 2014

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. GR-2014-0086

DIRECT TESTIMONY

OF

KENT D. TAYLOR

ON BEHALF OF

SUMMIT NATURAL GAS OF MISSOURI, INC.

Jefferson City, Missouri
January 2, 2014

Summit Exhibit No. 16
Date 8-19-14 Reporter KF
File No. GR-2014-0086

DIRECT TESTIMONY
OF
KENT D. TAYLOR

SUMMIT NATURAL GAS OF MISSOURI, INC.

CASE NO. GR-2014-0086

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**DIRECT TESTIMONY
OF
KENT D. TAYLOR**

SUMMIT NATURAL GAS OF MISSOURI, INC.

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. Kent D. Taylor, 777 29th Street, Suite 200, Boulder, Colorado, 80303.

3 **Q. ON WHOSE BEHALF IS YOUR TESTIMONY PRESENTED?**

4 A. Summit Natural Gas of Missouri, Inc. ("SNG" or the "Company").

5 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

6 A. I am the Chairman of KTM, an energy consulting firm.

7 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND RELEVANT**
8 **BUSINESS EXPERIENCE.**

9 A. Information responsive to this question is shown in the attached Schedule
10 KDT-5.

11 **Q. HAVE YOU TESTIFIED BEFORE OTHER REGULATORY BODIES?**

12 A. Yes. I have testified before the Federal Energy Regulatory Commission, the
13 Colorado Public Utilities Commission, the Public Service Commission of
14 Nevada, Regie Du Gaz Natural Du Quebec, the Missouri Public Service
15 Commission ("Commission"), and the Florida Public Service Commission.

16 **Q. IN WHAT CAPACITY?**

1 A. I have testified as a cost of service, cost allocation & rate design witness and
2 also as a client management representative.

3 **Q. WHAT IS YOUR RELATIONSHIP WITH SNG?**

4 A. SNG has retained KTM to (1) assist SNG in the development of a cost-of-
5 service study, the goal of which is to determine the sufficiency of SNG's current
6 base rates, (2) prepare a class cost-of-service study, and (3) calculate new
7 rates, if appropriate.

8 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

9 A. I will explain the analysis and conclusions that lead SNG to request a change in
10 its base rates for four of its five divisions. Toward that goal, I will, using the
11 revenue requirements provided by Company witness, Mr. Tyson D. Porter,
12 discuss (1) analytical constraints, (2) the classification of cost-of-service, (3) the
13 class cost-of-service study and (4) rate design.

14 **Q. ARE YOU SPONSORING SCHEDULES?**

15 A. Yes, a list of Schedules is shown below.

16 • **Schedule KDT-1**, Cost-of-Service, segregated into customer-related and
17 demand/commodity-related costs for each relevant division.

18 • **Schedule KDT-2**, Rate Base Summary, segregated into customer-related and
19 demand/commodity-related costs for each relevant division.

20 • **Schedule KDT-3**, Class Cost-of-Service Study for each relevant division.

21 • **Schedule KDT-4**, Rate Design for each relevant division.

22 **Q. WERE YOUR SCHEDULES PREPARED BY YOU OR UNDER YOUR**

1 A. Natural gas supply and upstream transportation costs are excluded from
2 analysis entirely as such costs are recovered through SNG's Purchased Gas
3 Adjustment ("PGA") filings.

4 **Q. PLEASE DEFINE COST CLASSIFICATION AS USED IN YOUR ANALYSIS**
5 **AND ITS RELEVANCE TO THE CLASS COST-OF-SERVICE STUDY.**

6 A. As used in my analysis, classification is the term used to identify customer-
7 related and demand/commodity-related costs so as to properly assign the costs
8 to customer classes based on cost causing behavior. Rate base and cost-of-
9 service are split into one of these two classifications for subsequent assignment
10 to customer classes within each division. The entire cost-of-service is embraced
11 by these two classifications. Customer-related costs are those costs which exist
12 because the customer exists. Demand/commodity costs are those costs which
13 exist because of peak natural gas demands the customer places on the system.

14 **Q. HOW IS THE COST-OF-SERVICE AS SHOWN IN SCHEDULE KDT-1**
15 **CALCULATED?**

16 A. The cost-of-service for each relevant division begins with the pro forma revenue
17 requirement as explained by Mr. Porter in his direct testimony. Each cost-of-
18 service element, beginning with rate base, is identified as either customer-
19 related or demand/commodity-related. Significant analytical methods are
20 discussed below.

- 21 • Rate Base – see Schedule KDT-2, Rate Base Summary.
- 22 ○ Direct customer related investments – Plant accounts (380 – 386) and

- 1 related reserves for depreciation are directly assigned to the customer
2 classification.
- 3 ○ Direct demand/commodity-related investments – Plant accounts (376 –
4 378) and related reserves for depreciation are directly assigned to the
5 demand/commodity classification.
 - 6 ○ General plant investments were classified based on the relationship of
7 direct customer investments or direct demand/commodity investments
8 to the total direct investments for each division.
 - 9 ○ Other rate base – Allocated to classifications based on various allocation
10 factors.
- 11 • Operating costs – see Schedule KDT-1
 - 12 ○ Operation and Maintenance expense – Directly assigned when feasible
13 or otherwise allocated to the appropriate classification.
 - 14 ○ Depreciation expense – Assigned to classifications to reflect the gross
15 plant assignments cited above in the rate base discussion.
 - 16 ○ Taxes other than income taxes – Allocated to classifications using the
17 relationship of direct customer investments or direct demand/commodity
18 investments to the total of direct investments.
 - 19 ○ Income taxes – Calculated for each classification based on classified
20 rate base.
 - 21 ○ Revenue credits- Miscellaneous revenue is identified in SNG's
22 accounting system by division and assigned to the customer-related

1 classification. Transportation revenues related to special, discounted
2 contracts are assigned to the demand/commodity classification. Special
3 contracts included in revenue credits only exist in the Rogersville
4 division and are dominated by schools participating in the Missouri
5 school aggregation program.

6 ○ Return on rate base – The rate of return provided by Mr. Porter in his
7 Schedule TDP-3, Exhibit 3, is multiplied by the classified rate base in
8 order to arrive at return on rate base for each classification component.

9 **Q. DID YOU CONSIDER AN ADDITIONAL COMMODITY-ONLY**
10 **CLASSIFICATION?**

11 A. Yes. However, the additional analytical complexity was not justified in the
12 absence of material costs which vary with annual retail and transportation
13 volumetric usage.

14 **IV. CLASS COST-OF-SERVICE STUDY**

15
16 **Q. PLEASE DESCRIBE THE NEXT STEPS OF YOUR RATE BASE ANALYSIS.**

17 A. The next step was to assign classified rate base to each customer class within
18 each relevant division. Schedule KDT-3, Exhibits 3 and 4, reflect the
19 assignments. Customer-related rate base from Schedule KDT-2 was arrayed
20 on Schedule KDT-3, Exhibit 3, and assigned to customer classes using the
21 weighted customer count analysis allocation factor discussed below. Similarly,
22 demand/commodity-related rate base from Schedule KDT-2 was arrayed on

1 Schedule KDT-3, Exhibit 4, and assigned to customer classes using the
2 demand allocator discussed below. Rate base related to storage gas
3 inventories was assigned exclusively to retail customer classes using a five (5)
4 month winter sales volume allocator and was entirely classified as
5 demand/commodity.

6 **Q. PLEASE DESCRIBE THE NEXT STEPS OF YOUR CLASS COST-OF-**
7 **SERVICE STUDY.**

8 A. Schedule KDT-3, Exhibits 1 and 2, reflects the assignment of classified costs to
9 customer classes. Each cost of service element from Schedule KDT-1 was
10 arrayed on Exhibits 1 and 2, then assigned to customer classes in a fashion
11 similar to that described for rate base. The primary allocator for customer-
12 related costs was the weighted customer allocation factor and the primary
13 allocator for demand/commodity-related costs was the demand allocator.

14 **Q. HOW WAS YOUR DEMAND ALLOCATOR DETERMINED?**

15 A. I used the coincident usage by customer class for each division for the coldest
16 two months of the 2012-2013 winter as the basis upon which to develop
17 demand allocation percentages. Retail sales volumes for the period were
18 measured on a cycle billing basis while individual customer transportation
19 volumes were available on a daily basis. The weighted average retail sales
20 measurement dates were then used to define the beginning and end of the two
21 month period for each division. The total transportation volume was
22 accumulated for the same period. So, for each relevant division, the percentage

1 of the two month period demand of the total by customer class was used as the
2 basis to allocate demand/commodity-related rate base and operating costs.

3 **Q. HOW WAS YOUR CUSTOMER ALLOCATOR DETERMINED?**

4 A. A customer weighting factor was developed from internal sources. The effect
5 of meter cost, installation, and services yielded the appropriate weighting that,
6 when applied to individual customer class customer counts, yields the weighted
7 customer counts that form the basis of each customer class's percentage of the
8 customer-related costs.

9 **V. RATE DESIGN**

10

11 **Q. HAVE YOU PREPARED A SUMMARY OF PROPOSED RATES FOR THE**
12 **RELEVANT DIVISIONS?**

13 A. Yes. Schedule KDT-4, Exhibit 1, summarizes the proposed rates. The
14 foundation for the values is discussed below.

15 **Q. PLEASE EXPLAIN THE BASIS UPON WHICH COSTS WERE ASSIGNED TO**
16 **CUSTOMER CLASSES FOR RATE DESIGN PURPOSES.**

17 A. First, I performed a base case rate design as shown in Schedule KDT-4, Exhibit
18 2, wherein all customer-related costs as calculated in Schedule KDT-3, Exhibit
19 1, Class Cost-of-Service, were assigned to each customer class and divided by
20 the annual billings for each customer class to determine the appropriate
21 monthly customer charge. Next, the corresponding demand/commodity-related
22 costs were divided by the weather normalized annual sales and transportation

1 volumes in order to arrive at the appropriate commodity charge for each
2 customer class.

3 **Q. DID THE ANALYTICAL METHOD DESCRIBED ABOVE PROVIDE FULL**
4 **RECOVERY OF SNG'S COST-OF-SERVICE?**

5 A. Yes.

6 **Q. DID YOU PERFORM ALTERNATIVE RATE DESIGN CALCULATIONS?**

7 A. Yes. SNG's management was concerned about the implications of large
8 increases in the monthly customer charge for small volume customers. So, I
9 performed an alternative rate design calculation as shown in Schedule KDT-4,
10 Exhibit 3, and described below.

- 11 • Customer charges (excluding high-volume customer classes) were fixed at
12 stated values below the values justified in Schedule KDT-4, Exhibit 2, but
13 above current levels.
- 14 • Customer charge revenue was calculated using the customer charges cited
15 above.
- 16 • The difference between the total revenue requirement for each customer
17 class and the revenue calculated from the alternative customer charges was
18 divided by the weather normalized sales and transportation volumes in
19 order to arrive at the commodity charge for each customer class.

20 **Q. DID THE ANALYTICAL METHOD DESCRIBED ABOVE PROVIDE FULL**
21 **RECOVERY OF SNG'S COST-OF-SERVICE?**

22 A. Yes.

1 Q. ARE THERE ADDITIONAL RATE DESIGN MODIFICATIONS SNG WISHES
2 TO PROPOSE?

3 A. Yes. The results of the class cost-of-service cost allocation and rate design for
4 the Gallatin and Rogersville Divisions produce the proposed rates shown in
5 Schedule KDT-4, Exhibit 3, for those divisions. However, the resulting rates
6 for the Branson and Warsaw Divisions would require existing customers of
7 those divisions to absorb the costs related to future anticipated customer
8 expansion and therefore should be modified.

9 Q. WHAT IS THE NATURE OF THE BURDEN FOR BRANSON?

10 A. Branson's current billing determinants reflect lower market penetration than
11 anticipated. As can be inferred from an inspection of the full revenue
12 requirement shown in Schedule KDT-4, Exhibit 3, the required rate increase is
13 considered excessive by SNG's management.

14 Q. WHAT IS THE NATURE OF THE BURDEN FOR WARSAW?

15 A. The Warsaw and the Lake of the Ozarks divisions will eventually share much of
16 the existing mainline investment and costs currently being utilized
17 predominantly by Warsaw's customers. As is true for Branson, it is more
18 appropriate to delay full recovery during a period of time when the system is still
19 being developed.

20 Q. WHAT IS YOUR PROPOSAL TO DEAL WITH THE BURDENS CITED FOR
21 BRANSON AND WARSAW?

22 A. Schedule KDT-4, Exhibit 4, shows the results of the proposals shown below.

- 1 • Branson customer charges – equivalent to Rogersville customer charges.
- 2 • Branson commodity charges – capped at rates that are equivalent to
- 3 Rogersville rates plus \$0.200 per Ccf.
- 4 • Warsaw customer charges – equivalent to current Lake of the Ozarks
- 5 customer charges.
- 6 • Warsaw commodity charges – equivalent to Lake of the Ozarks commodity
- 7 rates.

8 **Q. HAVE YOU CALCULATED THE UNDERRECOVERY SNG WILL INCUR**
9 **FROM YOUR PROPOSAL?**

10 A. Yes. Schedule KDT-4, Exhibit 4, includes a section describing the
11 underrecovery. The annual underrecovery at Branson will be \$4.5 million.
12 The annual underrecovery at Warsaw will be \$0.8 million.

13 **Q. PLEASE SUMMARIZE YOUR RATE DESIGN PROPOSALS.**

14 A. SNG proposes the rates derived in Schedule KDT-4, Exhibit 3, for the Gallatin
15 and Rogersville Divisions. SNG proposes the rates derived in Schedule KDT-
16 4, Exhibit 4, for the Branson and Warsaw Divisions. Schedule KDT-4, Exhibit
17 1, summarizes the proposed rates.

18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 A. Yes

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


In the Matter of Summit Natural Gas of)
Missouri Inc.'s Filing of Revised Tariffs) Case No. GR-2014-0086
To Increase its Annual Revenues For)
Natural Gas Service)

AFFIDAVIT OF TYSON D. PORTER

STATE OF COLORADO)
) ss
COUNTY OF JEFFERSON)

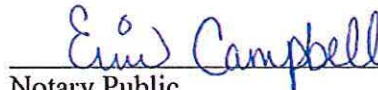
Tyson D. Porter, being first duly sworn on his oath, states:

1. My name is Tyson D. Porter. I work in Littleton, Colorado and I am employed by Summit Utilities, Inc. as a Regulatory Accountant.
2. Attached hereto and made a part of hereof for all purposes is my Direct Testimony on behalf of Summit Natural Gas of Missouri, Inc. consisting of 18 pages, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.



Tyson D. Porter

Subscribed and sworn to before me this 2nd day of January, 2014.



Notary Public

My commission expires: 6/7/2016



Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Classified Cost of Service - Gallatin

Line No	Description (a)	Reference (b)	Gallatin		
			Total (c)	Customer Related (d)	Demand/Comm Related (e)
1	O&M	TDP-1 Exh 4	\$ 295,728	\$ 166,204	\$ 129,524
2	Depreciation and Amortization	TDP-1 Exh 5	218,916	101,187	117,729
3	Taxes Other Than Income Taxes	TDP-1 Exh 6	187,166	83,275	103,892
4	Income taxes	Line 9 * (TDP-3 Exh 1)	344,227	160,833	183,394
5	Revenue credits	TDP-1 Exh 2	(52,879)	(52,879)	-
6	Operating expenses		<u>\$ 993,158</u>	<u>\$ 458,619</u>	<u>\$ 534,539</u>
7	Return on rate base	line 9 * (TDP-3 Exh 1)	<u>664,072</u>	<u>310,273</u>	<u>353,799</u>
8	Total Cost of Service	line 6 + line 7	<u>\$ 1,657,230</u>	<u>\$ 768,893</u>	<u>\$ 888,337</u>
9	Rate Base - Proforma	KDT-2	<u>\$ 8,083,376</u>	<u>\$ 3,776,783</u>	<u>\$ 4,306,592</u>

Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Classified Cost of Service - Warsaw

Line No	Description (a)	Reference (b)	Warsaw		
			Total (c)	Customer Related (d)	Demand/Comm Related (e)
1	O&M	TDP-1 Exh 4	\$ 243,568	\$ 111,606	\$ 131,962
2	Depreciation and Amortization	TDP-1 Exh 5	385,524	107,625	277,899
3	Taxes Other Than Income Taxes	TDP-1 Exh 6	265,560	107,933	157,626
4	Income taxes	Line 9 * (TDP-3 Exh 1)	691,098	196,367	494,731
5	Revenue credits	TDP-1 Exh 2	(8,810)	(8,810)	-
6	Operating expenses		<u>\$ 1,576,940</u>	<u>\$ 514,721</u>	<u>\$ 1,062,219</u>
7	Return on rate base	line 9 * (TDP-3 Exh 1)	<u>1,333,246</u>	<u>378,825</u>	<u>954,420</u>
8	Total Cost of Service	line 6 + line 7	<u>\$ 2,910,186</u>	<u>\$ 893,547</u>	<u>\$ 2,016,639</u>
9	Rate Base - Proforma	KDT-2	<u>\$ 16,228,847</u>	<u>\$ 4,611,227</u>	<u>\$ 11,617,623</u>

**Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Classified Cost of Service - Rogersville**

Line No	Description (a)	Reference (b)	Rogersville		
			Total (c)	Customer Related (d)	Demand/Comm Related (e)
1	O&M	TDP-1 Exh 4	\$ 2,138,644	\$ 1,027,932	\$ 1,110,712
2	Depreciation and Amortization	TDP-1 Exh 5	2,087,004	505,976	1,581,027
3	Taxes Other Than Income Taxes	TDP-1 Exh 6	741,485	180,914	560,571
4	Income taxes	Line 9 * (TDP-3 Exh 1)	3,201,515	829,572	2,371,943
5	Revenue credits	TDP-1 Exh 2, TDP-4 Exh 4	(451,161)	(98,095)	(353,066)
6	Operating expenses		<u>\$ 7,717,487</u>	<u>\$ 2,446,300</u>	<u>\$ 5,271,187</u>
7	Return on rate base	line 9 * (TDP-3 Exh 1)	<u>6,176,263</u>	<u>1,600,384</u>	<u>4,575,879</u>
8	Total Cost of Service	line 6 + line 7	<u>\$ 13,893,750</u>	<u>\$ 4,046,684</u>	<u>\$ 9,847,066</u>
9	Rate Base - Proforma	KDT-2	<u>\$ 75,180,175</u>	<u>\$ 19,480,574</u>	<u>\$ 55,699,601</u>

**Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Classified Cost of Service - Branson**

Line No	Description (a)	Reference (b)	Branson		
			Total (c)	Customer Related (d)	Demand/Comm Related (e)
1	O&M	TDP-1 Exh 4	\$ 311,156	\$ 161,970	\$ 149,185
2	Depreciation and Amortization	TDP-1 Exh 5	879,346	98,343	781,003
3	Taxes Other Than Income Taxes	TDP-1 Exh 6	1,052,717	444,832	607,885
4	Income taxes	Line 9 * (TDP-3 Exh 1)	2,000,454	189,512	1,810,942
5	Revenue credits	TDP-1 Exh 2	(11,861)	(11,861)	-
6	Operating expenses		<u>\$ 4,231,811</u>	<u>\$ 882,796</u>	<u>\$ 3,349,015</u>
7	Return on rate base	line 9 * (TDP-3 Exh 1)	<u>3,859,214</u>	<u>365,601</u>	<u>3,493,613</u>
8	Total Cost of Service	line 6 + line 7	<u>\$ 8,091,025</u>	<u>\$ 1,248,397</u>	<u>\$ 6,842,628</u>
9	Rate Base - Proforma	KDT-2	<u>\$ 46,976,037</u>	<u>\$ 4,450,258</u>	<u>\$ 42,525,780</u>

Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Rate Base - Gallatin

Line No	Description (a)	Reference (b)	Gallatin				
			Test Year (c)	Interdivision Transfers (d)	Proforma (e)	Customer (f)	Classified Demand/comm (g)
1	Gross Plant	TDP-2 Exh 2	\$ 9,673,827	\$ -	\$ 9,673,827	4,471,425	5,202,401
2	Reserve for Depreciation	TDP-2 Exh 3	(1,140,564)		(1,140,564)	(449,640)	(690,925)
3	Net Plant	line 1 - line 2	\$ 8,533,263	\$ -	\$ 8,533,263	\$ 4,021,786	\$ 4,511,477
Other Rate Base							
4	Investment in Stored Gas	TDP-2 Exh 4	\$ 117,543	\$ -	\$ 117,543	\$ -	\$ 117,543
5	Materials and supplies	TDP-2 Exh 4	24,869		24,869	24,869	
6	Prepayments	TDP-2 Exh 4	7,634		7,634	7,634	
7	Misc deferred debits		-		-		
8	Customer deposits	TDP-2 Exh 4	(19,063)		(19,063)	(19,063)	
9	Customer Advances		-		-		
10	Subtotal		\$ 130,983	\$ -	\$ 130,983	\$ 13,440	\$ 117,543
11	Deferred Tax Liability	TDP-2 Exh 5	\$ (580,870)	\$ -	\$ (580,870)	\$ (258,443)	\$ (322,428)
12	Total other rate base		\$ (449,887)	\$ -	\$ (449,887)	\$ (245,002)	\$ (204,884)
13	Total Rate Base at 9-30-13		\$ 8,083,376	\$ -	\$ 8,083,376	\$ 3,776,783	\$ 4,306,592

Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Rate Base - Warsaw

Line No	Description (a)	Reference (b)	Warsaw				
			Test Year (c)	Interdivision Transfers (d)	Proforma (e)	Customer (f)	Classified Demand/comm (g)
Net Plant							
1	Gross Plant	TDP-2 Exh 2	\$ 23,368,345	\$ (5,116,409)	\$ 18,251,936	5,095,317	13,156,619
2	Reserve for Depreciation	TDP-2 Exh 3	(1,853,281)	361,361	(1,291,919)	(329,755)	(962,161)
3	Net Plant	line 1 - line 2	\$ 21,715,064	\$ (4,755,047)	\$ 16,960,017	\$ 4,765,562	\$ 12,194,458
Other Rate Base							
4	Investment in Stored Gas	TDP-2 Exh 4	\$ -	\$ -	\$ -	\$ -	\$ -
5	Materials and supplies	TDP-2 Exh 4	82,873		82,873	82,873	
6	Prepayments	TDP-2 Exh 4	8,078		8,078	8,078	
7	Misc deferred debits		-		-		
8	Customer deposits	TDP-2 Exh 4	(13,681)		(13,681)	(13,681)	
9	Customer Advances		-		-		
10	Subtotal		\$ 77,270	\$ -	\$ 77,270	\$ 77,270	\$ -
11	Deferred Tax Liability	TDP-2 Exh 5	\$ (808,440)	\$ -	\$ (808,440)	\$ (231,605)	\$ (576,836)
12	Total other rate base		\$ (731,170)	\$ -	\$ (731,170)	\$ (154,335)	\$ (576,836)
13	Total Rate Base at 9-30-13		\$ 20,983,894	\$ (4,755,047)	\$ 16,228,847	\$ 4,611,227	\$ 11,617,623

Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Rate Base - Rogersville

Line No	Description (a)	Reference (b)	Rogersville				
			Test Year	Interdivision Transfers	Proforma	Classified	
			(c)	(d)	(e)	Customer (f)	Demand/comm (g)
Net Plant							
1	Gross Plant	TDP-2 Exh 2	\$ 98,980,487	\$ -	\$ 98,980,487	23,996,983	74,983,503
2	Reserve for Depreciation	TDP-2 Exh 3	(19,433,347)		(19,433,347)	(3,403,995)	(16,029,352)
3	Net Plant	line 1 - line 2	\$ 79,547,140	\$ -	\$ 79,547,140	\$ 20,592,989	\$ 58,954,151
Other Rate Base							
4	Investment in Stored Gas	TDP-2 Exh 4	\$ 320,168	\$ -	\$ 320,168	\$ -	\$ 320,168
5	Materials and supplies	TDP-2 Exh 4	119,817		119,817	119,817	
6	Prepayments	TDP-2 Exh 4	56,362		56,362	56,362	
7	Misc deferred debits		-		-		
8	Customer deposits	TDP-2 Exh 4	(134,918)		(134,918)	(134,918)	
9	Customer Advances		-		-		
10	Subtotal		\$ 361,430	\$ -	\$ 361,430	\$ 41,261	\$ 320,168
11	Deferred Tax Liability	TDP-2 Exh 5	\$ (4,728,394)	\$ -	\$ (4,728,394)	\$ (1,153,676)	\$ (3,574,718)
12	Total other rate base		\$ (4,366,965)	\$ -	\$ (4,366,965)	\$ (1,112,415)	\$ (3,254,550)
13	Total Rate Base at 9-30-13		\$ 75,180,175	\$ -	\$ 75,180,175	\$ 19,480,574	\$ 55,699,601

Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Rate Base - Branson

Line No	Description (a)	Reference (b)	Branson				
			Test Year	Interdivision Transfers	Proforma	Classified	
			(c)	(d)	(e)	Customer (f)	Demand/comm (g)
Net Plant							
1	Gross Plant	TDP-2 Exh 2	\$ 51,934,105	\$ (21,373)	\$ 51,912,732	\$ 5,809,146	\$ 46,103,586
2	Reserve for Depreciation	TDP-2 Exh 3	\$ (2,219,238)	178	(2,219,060)	\$ (193,455)	\$ (2,025,605)
3	Net Plant	line 1 - line 2	\$ 49,714,867	\$ (21,195)	\$ 49,693,672	\$ 5,615,690	\$ 44,077,982
Other Rate Base							
4	Investment in Stored Gas	TDP-2 Exh 4	\$ 46,721	\$ -	\$ 46,721	\$ -	\$ 46,721
5	Materials and supplies	TDP-2 Exh 4	677		677	677	
6	Prepayments	TDP-2 Exh 4	14,074		14,074	14,074	
7	Misc deferred debits		-		-		
8	Customer deposits	TDP-2 Exh 4	(10,140)		(10,140)	(10,140)	
9	Customer Advances		-		-		
10	Subtotal		\$ 51,332	\$ -	\$ 51,332	\$ 4,611	\$ 46,721
11	Deferred Tax Liability	TDP-2 Exh 5	\$ (2,768,967)	\$ -	\$ (2,768,967)	\$ (1,170,043)	\$ (1,598,923)
12	Total other rate base		\$ (2,717,635)	\$ -	\$ (2,717,635)	\$ (1,165,433)	\$ (1,552,202)
13	Total Rate Base at 9-30-13		\$ 46,997,232	\$ (21,195)	\$ 46,976,037	\$ 4,450,258	\$ 42,525,780

Summit Natural Gas of Missouri, Inc.
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Class Cost of Service - Customer Related Costs Assigned to Customer Classes - Gallatin

Line No	Description	Reference	Allocation Factor	Gallatin					
				Customer Related	GS-Res	GS-Com	CS	LVS	Transport
				(d)	(e)	(f)	(g)	(h)	(i)
1	O&M	KDT-1	alloc #8	\$ 166,204	\$ 131,389	\$ 21,160	\$ 9,940	\$ 619	\$ 3,096
2	Depreciation and Amortization	KDT-1	alloc #8	101,187	79,992	12,882	6,051	377	1,885
3	Taxes Other Than Income Taxes	KDT-1	alloc #8	83,275	65,831	10,602	4,980	310	1,551
4	Income taxes	(KDT-1, Line 9 * (TDP-3, Exh 1)		160,833	127,143	20,476	9,818	599	2,996
5	Revenue credits	KDT-1	alloc #8	(52,879)	(41,802)	(6,732)	(3,162)	(197)	(886)
6	Operating expenses			\$ 458,619	\$ 362,553	\$ 58,388	\$ 27,427	\$ 1,708	\$ 8,542
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)		310,273	245,281	39,502	18,556	1,156	5,779
8	Total Cost of Service	line 6 + line 7		\$ 768,893	\$ 607,834	\$ 97,890	\$ 45,983	\$ 2,864	\$ 14,322
9	Rate Base - Proforma	KDT-3 Exh 3		\$ 3,776,783	\$ 2,985,665	\$ 480,836	\$ 225,866	\$ 14,070	\$ 70,348

Summit Natural Gas of Missouri, Inc.
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Class Cost of Service - Customer Related Costs Assigned to Customer Classes - Warsaw

Line No	Description	Reference	Allocation Factor	Warsaw					
				Customer Related	GS-Res	GS-Com	CS	LVS	Transport
				(d)	(e)	(f)	(g)	(h)	(i)
1	O&M	KDT-1	alloc #8	\$ 111,606	\$ 74,924	\$ 22,804	\$ 4,962	\$ 8,916	\$ -
2	Depreciation and Amortization	KDT-1	alloc #8	107,625	72,252	21,991	4,785	8,598	-
3	Taxes Other Than Income Taxes	KDT-1	alloc #8	107,933	72,459	22,053	4,799	8,622	-
4	Income taxes	(KDT-1, Line 9) * (TDP-3, Exh 1)		196,367	131,827	40,123	8,731	15,687	-
5	Revenue credits	KDT-1	alloc #8	(8,810)	(5,914)	(1,800)	(392)	(704)	-
6	Operating expenses			\$ 514,721	\$ 345,548	\$ 105,171	\$ 22,885	\$ 41,118	\$ -
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)		378,825	254,317	77,404	16,843	30,262	-
8	Total Cost of Service	line 6 + line 7		\$ 893,547	\$ 599,865	\$ 182,574	\$ 39,728	\$ 71,380	\$ -
9	Rate Base - Proforma	KDT-3 Exh 3	rate base - cust	\$ 4,611,227	\$ 3,095,654	\$ 942,191	\$ 205,018	\$ 368,364	\$ -

Summit Natural Gas of Missouri, Inc.
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Class Cost of Service - Customer Related Costs Assigned to Customer Classes - Rogersville

Line No	Description (a)	Reference (b)	Allocation Factor (c)	Rogersville							LVS (j)	TS (k)
				Customer Related (d)	GS-res (e)	GS-Res-Op (f)	GS-Comm (g)	GS-Comm-Op (h)	LGS (i)			
1	O&M	KDT-1	alloc #8	\$ 1,027,932	\$ 436,696	\$ 414,193	\$ 115,019	\$ 42,354	\$ 10,628	\$ 1,904	\$ 7,138	
2	Depreciation and Amortization	KDT-1	alloc #8	505,976	214,954	203,877	56,615	20,848	5,232	937	3,514	
3	Taxes Other Than Income Taxes	KDT-1	alloc #8	180,914	76,858	72,897	20,243	7,454	1,871	335	1,256	
4	Income taxes	(KDT-1, Line 9) * (TDP-3, Exh 1)		829,572	352,427	334,266	92,823	34,181	8,577	1,536	5,761	
5	Revenue credits	KDT-1	alloc #8	(98,095)	(41,674)	(39,526)	(10,976)	(4,042)	(1,014)	(182)	(681)	
6	Operating expenses			\$ 2,446,300	\$ 1,039,261	\$ 985,707	\$ 273,724	\$ 100,796	\$ 25,293	\$ 4,530	\$ 16,988	
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)		1,600,384	679,891	644,855	179,072	65,942	16,547	2,964	11,114	
8	Total Cost of Service	line 6 + line 7		\$ 4,046,684	\$ 1,719,152	\$ 1,630,562	\$ 452,796	\$ 166,738	\$ 41,841	\$ 7,494	\$ 28,102	
9	Rate Base - Proforma	KDT-3 Exh 3	rate base - cust	\$ 19,480,574	\$ 8,275,928	\$ 7,849,460	\$ 2,179,741	\$ 802,669	\$ 201,419	\$ 36,075	\$ 135,281	

Summit Natural Gas of Missouri, Inc.
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Class Cost of Service - Customer Related Costs Assigned to Customer Classes - Branson

Line No	Description (a)	Reference (b)	Allocation Factor (c)	Branson							LVS (j)	TS (k)
				Customer Related (d)	GS-res (e)	GS-Res-Op (f)	GS-Comm (g)	GS-Comm-Op (h)	LGS (i)			
1	O&M	KDT-1	alloc #8	\$ 161,970	\$ 62,625	\$ 19,388	\$ 35,322	\$ 7,304	\$ 34,233	\$ -	\$ 3,099	
2	Depreciation and Amortization	KDT-1	alloc #8	98,343	38,024	11,772	21,446	4,435	20,785	-	1,881	
3	Taxes Other Than Income Taxes	KDT-1	alloc #8	444,832	171,992	53,247	97,008	20,059	94,016	-	8,510	
4	Income taxes	(KDT-1, Line 9) * (TDP-3, Exh 1)		189,512	73,274	22,685	41,328	8,546	40,054	-	3,626	
5	Revenue credits	KDT-1	alloc #8	(11,861)	(4,586)	(1,420)	(2,587)	(535)	(2,507)	-	(227)	
6	Operating expenses			\$ 882,796	\$ 341,328	\$ 105,671	\$ 192,518	\$ 39,809	\$ 186,580	\$ -	\$ 16,889	
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)		365,601	141,358	43,763	79,730	16,487	77,270	-	6,994	
8	Total Cost of Service	line 6 + line 7		\$ 1,248,397	\$ 482,686	\$ 149,434	\$ 272,248	\$ 56,296	\$ 263,850	\$ -	\$ 23,883	
9	Rate Base - Proforma	KDT-3 Exh 3	rate base - cust	\$ 4,450,258	\$ 1,720,667	\$ 532,700	\$ 970,503	\$ 200,682	\$ 940,568	\$ -	\$ 85,138	

Summit Natural Gas of Missouri, Inc.
 MPSC Case No GR-2014 - 0086

Class Cost of Service - Demand/Commodity Costs Assigned to Customer Classes - Gallatin

Line No	Description (a)	Reference (b)	Allocation Factor (c)	Gallatin					
				Demand/Comm					
				Related (d)	GS-Res (e)	GS-Com (f)	CS (g)	LVS (h)	Transport (i)
1	O&M	KDT-1	alloc #12	\$ 129,524	\$ 63,338	\$ 14,290	\$ 26,972	\$ 8,737	\$ 16,186
2	Depreciation and Amortization	KDT-1	alloc #12	117,729	57,571	12,989	24,516	7,941	14,712
3	Taxes Other Than Income Taxes	KDT-1	alloc #12	103,892	50,804	11,462	21,634	7,008	12,983
4	Income taxes	(KDT-1, Line 9) * (TDP-3, Exh 1)		183,394	89,993	20,286	38,367	12,456	22,293
5	Revenue credits	KDT-1	alloc #12	-	-	-	-	-	-
6	Operating expenses			\$ 534,539	\$ 261,705	\$ 59,028	\$ 111,489	\$ 36,141	\$ 66,175
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)	alloc #12	353,799	173,611	39,135	74,016	24,030	43,007
8	Total Cost of Service	line 6 + line 7		\$ 888,337	\$ 435,316	\$ 98,163	\$ 185,506	\$ 60,171	\$ 109,181
9	Rate Base - Proforma	KDT-3 Exh 3		\$ 4,306,592	\$ 2,113,268	\$ 476,369	\$ 900,958	\$ 292,501	\$ 523,497

Summit Natural Gas of Missouri, Inc.
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Class Cost of Service - Demand/Commodity Costs Assigned to Customer Classes - Warsaw

Line No	Description (a)	Reference (b)	Allocation Factor (c)	Warsaw					
				Demand/Comm					
				Related (d)	GS-Res (e)	GS-Com (f)	CS (g)	LVS (h)	Transport (i)
1	O&M	KDT-1	alloc #12	\$ 131,962	\$ 39,351	\$ 16,914	\$ 21,620	\$ 54,077	
2	Depreciation and Amortization	KDT-1	alloc #12	277,899	82,869	35,620	45,529	113,881	
3	Taxes Other Than Income Taxes	KDT-1	alloc #12	157,626	47,004	20,204	25,824	64,594	
4	Income taxes	(KDT-1, Line 9) * (TDP-3, Exh 1)		494,731	147,529	63,413	81,053	202,737	-
5	Revenue credits	KDT-1	alloc #12	-	-	-	-	-	-
6	Operating expenses			\$ 1,062,219	\$ 316,753	\$ 136,151	\$ 174,025	\$ 435,290	\$ -
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)	alloc #12	954,420	284,608	122,334	156,364	391,115	-
8	Total Cost of Service	line 6 + line 7		\$ 2,016,639	\$ 601,361	\$ 258,485	\$ 330,390	\$ 826,405	\$ -
9	Rate Base - Proforma	KDT-3 Exh 3		\$ 11,617,623	\$ 3,464,368	\$ 1,489,100	\$ 1,903,336	\$ 4,760,819	\$ -

Summit Natural Gas of Missouri, Inc.
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Class Cost of Service - Demand/Commodity Costs Assigned to Customer Classes - Rogersville

Line No	Description	Reference	Allocation Factor	Rogersville							
				Demand/Comm							
				Related	GS-res	GS-Res-Op	GS-Comm	GS-Comm-Op	LGS	LVS	TS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1	O&M	KDT-1	alloc #12	\$ 1,110,712	\$ 222,784	\$ 168,890	\$ 152,155	\$ 20,270	\$ 76,733	\$ 72,310	\$ 397,569
2	Depreciation and Amortization	KDT-1	alloc #12	1,581,027	317,119	240,404	216,583	28,853	109,225	102,929	565,914
3	Taxes Other Than Income Taxes	KDT-1	alloc #12	560,571	112,438	85,238	76,792	10,230	38,727	36,495	200,651
4	Income taxes	(KDT-1, Line 9) * (TDP-3, Exh 1)		2,371,943	477,161	361,796	325,838	43,443	164,585	154,986	844,134
5	Revenue credits	KDT-1	alloc #12	(353,066)	(70,817)	(53,686)	(48,366)	(6,443)	(24,391)	(22,986)	(126,377)
6	Operating expenses			\$ 5,271,187	\$ 1,058,684	\$ 802,643	\$ 723,002	\$ 96,353	\$ 364,879	\$ 349,734	\$ 1,881,892
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)	alloc #12	4,575,879	920,523	697,966	628,597	83,808	317,513	298,993	1,628,478
8	Total Cost of Service	line 6 + line 7		\$ 9,847,066	\$ 1,979,208	\$ 1,500,609	\$ 1,351,599	\$ 180,161	\$ 682,392	\$ 642,727	\$ 3,510,370
9	Rate Base - Proforma	KDT-3 Exh 3		\$ 55,699,601	\$ 11,205,012	\$ 8,495,950	\$ 7,651,558	\$ 1,020,151	\$ 3,864,905	\$ 3,639,478	\$ 19,822,548

Summit Natural Gas of Missouri, Inc.
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Class Cost of Service - Demand/Commodity Costs Assigned to Customer Classes - Branson

Line No	Description	Reference	Allocation Factor	Branson							
				Demand/Comm							
				Related	GS-res	GS-Res-Op	GS-Comm	GS-Comm-Op	LGS	LVS	TS
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
1	O&M	KDT-1	alloc #12	\$ 149,185	\$ 14,219	\$ 1,958	\$ 17,145	\$ 943	\$ 36,534	\$ -	\$ 78,386
2	Depreciation and Amortization	KDT-1	alloc #12	781,003	74,440	10,249	89,758	4,935	191,261	-	410,360
3	Taxes Other Than Income Taxes	KDT-1	alloc #12	607,885	57,939	7,977	69,862	3,841	148,866	-	319,399
4	Income taxes	(KDT-1, Line 9) * (TDP-3, Exh 1)		1,810,942	172,713	23,788	208,357	11,463	444,149	-	950,472
5	Revenue credits	KDT-1	alloc #12	-	-	-	-	-	-	-	-
6	Operating expenses			\$ 3,349,015	\$ 319,311	\$ 43,972	\$ 385,123	\$ 21,182	\$ 820,811	\$ -	\$ 1,758,617
7	Return on rate base	(KDT-1, Line 9) * (TDP-3, Exh 1)	alloc #12	3,493,613	333,192	45,892	401,956	22,115	856,838	-	1,833,621
8	Total Cost of Service	line 6 + line 7		\$ 6,842,628	\$ 652,502	\$ 89,864	\$ 787,078	\$ 43,297	\$ 1,677,649	\$ -	\$ 3,592,238
9	Rate Base - Proforma	KDT-3 Exh 3		\$ 42,525,780	\$ 4,055,754	\$ 558,616	\$ 4,892,779	\$ 269,188	\$ 10,429,806	\$ -	\$ 22,319,637

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Customer Related Rate Base Assignment to Customer Classes - Gallatin

Line No	Particulars (a)	Reference (b)	Allocation Factor (c)	Customer Related Costs					
				(d)	GS-Res (e)	GS-Com (f)	CS (g)	LVS (h)	Transport (i)
Net Plant									
1	Gross Plant	TDP-2 Exh 2	alloc #8	\$ 4,471,425	\$ 3,534,801	\$ 569,273	\$ 267,408	\$ 16,657	\$ 83,286
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #8	(449,640)	(355,454)	(57,245)	(26,890)	(1,675)	(8,375)
3	Net Plant	line 1 - line 2		\$ 4,021,786	\$ 3,179,347	\$ 512,028	\$ 240,518	\$ 14,982	\$ 74,911
Other Rate Base									
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #8	24,869	19,660	3,166	1,487	93	463
6	Prepayments	TDP-2 Exh 4	alloc #8	7,634	6,035	972	457	28	142
7	Misc deferred debits		alloc #8	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #8	(19,063)	(15,070)	(2,427)	(1,140)	(71)	(355)
9	Customer Advances		alloc #8	-	-	-	-	-	-
10	Subtotal			\$ 13,440	\$ 10,625	\$ 1,711	\$ 804	\$ 50	\$ 250
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #8	(258,443)	(204,307)	(32,903)	(15,456)	(963)	(4,814)
12	Total other rate base			\$ (245,002)	(193,682)	(31,192)	(14,652)	(913)	(4,564)
13	Total Rate Base at 9-30-13			\$ 3,776,783	\$ 2,985,665	\$ 480,836	\$ 225,866	\$ 14,070	\$ 70,348

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Customer Related Rate Base Assignment to Customer Classes - Warsaw

Line No	Particulars	Reference	Allocation Factor	Customer Related Costs	GS-Res	GS-Com	CS	LVS	Transport
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Net Plant									
1	Gross Plant	TDP-2 Exh 2	alloc #8	\$ 5,095,317	\$ 3,420,638	\$ 1,041,103	\$ 226,540	\$ 407,035	\$ -
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #8	(329,755)	(221,375)	(67,377)	(14,661)	(26,342)	
3	Net Plant	line 1 - line 2		\$ 4,765,562	\$ 3,199,264	\$ 973,726	\$ 211,879	\$ 380,693	\$ -
Other Rate Base									
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #8	82,873	55,635	16,933	3,685	6,620	-
6	Prepayments	TDP-2 Exh 4	alloc #8	8,078	5,423	1,651	359	645	-
7	Misc deferred debits		alloc #8	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #8	(13,681)	(9,185)	(2,795)	(608)	(1,093)	-
9	Customer Advances		alloc #8	-	-	-	-	-	-
10	Subtotal			\$ 77,270	\$ 51,874	\$ 15,788	\$ 3,435	\$ 6,173	\$ -
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #8	(231,605)	(155,483)	(47,323)	(10,297)	(18,502)	-
12	Total other rate base			\$ (154,335)	\$ (103,609)	\$ (31,534)	\$ (6,862)	\$ (12,329)	\$ -
13	Total Rate Base at 9-30-13			\$ 4,611,227	\$ 3,095,654	\$ 942,191	\$ 205,018	\$ 368,364	\$ -

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Customer Related Rate Base Assignment to Customer Classes - Rogersville

Line No	Particulars	Reference	Allocation Factor	Customer Related Costs	GS-res	GS-Res-Op	GS-Comm	GS-Comm-Op	LGS	LVS	TS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Net Plant											
1	Gross Plant	TDP-2 Exh 2	alloc #8	\$ 23,996,983	\$ 10,194,634	\$ 9,669,292	\$ 2,685,096	\$ 988,761	\$ 248,116	\$ 44,439	\$ 166,645
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #8	(3,403,995)	(1,446,118)	(1,371,598)	(380,883)	(140,257)	(35,195)	(6,304)	(23,639)
3	Net Plant	line 1 - line 2		\$ 20,592,989	\$ 8,748,515	\$ 8,297,694	\$ 2,304,213	\$ 848,504	\$ 212,921	\$ 38,135	\$ 143,006
Other Rate Base											
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #8	119,817	50,902	48,279	13,407	4,937	1,239	222	832
6	Prepayments	TDP-2 Exh 4	alloc #8	56,362	23,944	22,711	6,307	2,322	583	104	391
7	Misc deferred debits		alloc #8	-	-	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #8	(134,918)	(57,317)	(54,363)	(15,096)	(5,559)	(1,395)	(250)	(937)
9	Customer Advances		alloc #8	-	-	-	-	-	-	-	-
10	Subtotal			\$ 41,261	\$ 17,529	\$ 16,626	\$ 4,617	\$ 1,700	\$ 427	\$ 76	\$ 287
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #8	(1,153,676)	(490,116)	(464,860)	(129,088)	(47,536)	(11,928)	(2,136)	(8,012)
12	Total other rate base			\$ (1,112,415)	\$ (472,587)	\$ (448,234)	\$ (124,472)	\$ (45,835)	\$ (11,502)	\$ (2,060)	\$ (7,725)
13	Total Rate Base at 9-30-13			\$ 19,480,574	\$ 8,275,928	\$ 7,849,460	\$ 2,179,741	\$ 802,669	\$ 201,419	\$ 36,075	\$ 135,281

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Customer Related Rate Base Assignment to Customer Classes - Branson

Line No	Particulars	Reference	Allocation Factor	Customer Costs	GS-res	GS-Res-Op	GS-Comm	GS-Comm-Op	LGS	LVS	TS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Net Plant											
1	Gross Plant	TDP-2 Exh 2	alloc #8	\$ 5,809,146	\$ 2,246,073	\$ 695,360	\$ 1,266,847	\$ 261,960	\$ 1,227,771	\$ -	\$ 111,134
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #8	(193,455)	(74,798)	(23,157)	(42,188)	(8,724)	(40,887)	-	(3,701)
3	Net Plant	line 1 - line 2		\$ 5,615,690	\$ 2,171,275	\$ 672,203	\$ 1,224,659	\$ 253,236	\$ 1,186,884	\$ -	\$ 107,433
Other Rate Base											
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #8	677	262	81	148	31	143	-	13
6	Prepayments	TDP-2 Exh 4	alloc #8	14,074	5,442	1,685	3,069	635	2,975	-	269
7	Misc deferred debits		alloc #8	-	-	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #8	(10,140)	(3,921)	(1,214)	(2,211)	(457)	(2,143)	-	(194)
9	Customer Advances		alloc #8	-	-	-	-	-	-	-	-
10	Subtotal			\$ 4,611	\$ 1,783	\$ 552	\$ 1,006	\$ 208	\$ 975	\$ -	\$ 88
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #8	(1,170,043)	(452,391)	(140,055)	(255,161)	(52,762)	(247,290)	-	(22,384)
12	Total other rate base			\$ (1,165,433)	\$ (450,608)	\$ (139,503)	\$ (254,155)	\$ (52,554)	\$ (246,316)	\$ -	\$ (22,296)
13	Total Rate Base at 9-30-13			\$ 4,450,258	\$ 1,720,667	\$ 532,700	\$ 970,503	\$ 200,682	\$ 940,568	\$ -	\$ 85,138

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Demand/Commodity-Related Rate Base Assignment to Customer Classes - Gallatin

Line No	Particulars	Reference	Allocation Factor	Demand/Comm					Transport
				Related Costs	GS-Res	GS-Com	CS	LVS	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Net Plant									
1	Gross Plant	TDP-2 Exh 2	alloc #12	\$ 5,202,401	\$ 2,544,022	\$ 573,985	\$ 1,083,352	\$ 350,909	\$ 650,134
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #12	(690,925)	(337,868)	(76,230)	(143,879)	(46,604)	(86,343)
3	Net Plant	line 1 - line 2		\$ 4,511,477	\$ 2,206,153	\$ 497,755	\$ 939,473	\$ 304,305	\$ 563,790
Other Rate Base									
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #11	\$ 117,543	\$ 64,784	\$ 14,187	\$ 28,628	\$ 9,944	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-
6	Prepayments	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-
7	Misc deferred debits		alloc #12	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-
9	Customer Advances		alloc #12	-	-	-	-	-	-
10	Subtotal			\$ 117,543	\$ 64,784	\$ 14,187	\$ 28,628	\$ 9,944	\$ -
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #12	(322,428)	(157,670)	(35,574)	(67,143)	(21,748)	(40,293)
12	Total other rate base			\$ (204,884)	\$ (92,886)	\$ (21,386)	\$ (38,515)	\$ (11,804)	\$ (40,293)
13	Total Rate Base at 9-30-13			\$ 4,306,592	\$ 2,113,268	\$ 476,369	\$ 900,958	\$ 292,501	\$ 523,497

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Demand/Commodity-Related Rate Base Assignment to Customer Classes - Warsaw

Line No	Particulars	Reference	Allocation Factor	Demand/Comm Related Costs					
				GS-Res	GS-Com	CS	LVS	Transport	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Net Plant									
1	Gross Plant	TDP-2 Exh 2	alloc #12	\$ 13,156,619	\$ 3,923,296	\$ 1,686,362	\$ 2,155,472	\$ 5,391,489	\$ -
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #12	(962,161)	(286,916)	(123,326)	(157,633)	(394,287)	-
3	Net Plant	line 1 - line 2		\$ 12,194,458	\$ 3,636,380	\$ 1,563,036	\$ 1,997,839	\$ 4,997,202	\$ -
Other Rate Base									
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-
6	Prepayments	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-
7	Misc deferred debits		alloc #12	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-
9	Customer Advances		alloc #12	-	-	-	-	-	-
10	Subtotal			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #12	(576,836)	(172,012)	(73,936)	(94,504)	(236,383)	-
12	Total other rate base			\$ (576,836)	\$ (172,012)	\$ (73,936)	\$ (94,504)	\$ (236,383)	\$ -
13	Total Rate Base at 9-30-13			\$ 11,617,623	\$ 3,464,368	\$ 1,489,100	\$ 1,903,335	\$ 4,760,819	\$ -

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Demand/Commodity-Related Rate Base Assignment to Customer Classes - Rogersville

Line No	Particulars	Reference	Allocation Factor	Demand/Comm Related Costs				LGS	LVS	TS	
				GS-res	GS-Res-Op	GS-Comm	GS-Comm-Op				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Net Plant											
1	Gross Plant	TDP-2 Exh 2	alloc #12	\$ 74,983,503	\$ 15,040,025	\$ 11,401,676	\$ 10,271,895	\$ 1,368,429	\$ 5,180,220	\$ 4,881,619	\$ 26,839,641
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #12	(16,029,352)	(3,215,132)	(2,437,356)	(2,195,841)	(292,531)	(1,107,384)	(1,043,552)	(5,737,556)
3	Net Plant	line 1 - line 2		\$ 58,954,151	\$ 11,824,893	\$ 8,964,320	\$ 8,076,054	\$ 1,075,897	\$ 4,072,835	\$ 3,838,067	\$ 21,102,085
Other Rate Base											
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #11	\$ 320,168	\$ 97,128	\$ 75,186	\$ 65,200	\$ 9,491	\$ 39,028	\$ 34,134	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-	-	-
6	Prepayments	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-	-	-
7	Misc deferred debits		alloc #12	-	-	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-	-	-
9	Customer Advances		alloc #12	-	-	-	-	-	-	-	-
10	Subtotal			\$ 320,168	\$ 97,128	\$ 75,186	\$ 65,200	\$ 9,491	\$ 39,028	\$ 34,134	\$ -
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #12	(3,574,718)	(717,009)	(543,557)	(489,696)	(65,238)	(246,959)	(232,723)	(1,279,537)
12	Total other rate base			\$ (3,254,550)	\$ (619,881)	\$ (468,371)	\$ (424,496)	\$ (55,746)	\$ (207,931)	\$ (198,589)	\$ (1,279,537)
13	Total Rate Base at 9-30-13			\$ 55,699,601	\$ 11,205,012	\$ 8,495,950	\$ 7,651,558	\$ 1,020,151	\$ 3,864,905	\$ 3,639,478	\$ 19,822,548

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Class Cost of Service Study - Demand/Commodity-Related Rate Base Assignment to Customer Classes - Branson

Line No	Particulars	Reference	Allocation Factor	Demand/Comm Customer Costs				LGS	LVS	TS	
				GS-res	GS-Res-Op	GS-Comm	GS-Comm-Op				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Net Plant											
1	Gross Plant	TDP-2 Exh 2	alloc #12	\$ 46,103,586	\$ 4,394,268	\$ 604,994	\$ 5,298,533	\$ 291,330	\$ 11,290,401	\$ -	\$ 24,224,061
2	Reserve for Depreciation	TDP-2 Exh 3	alloc #12	(2,025,605)	(193,066)	(26,581)	(232,796)	(12,800)	(496,054)	-	(1,064,307)
3	Net Plant	line 1 - line 2		\$ 44,077,982	\$ 4,201,202	\$ 578,413	\$ 5,065,737	\$ 278,530	\$ 10,794,346	\$ -	\$ 23,159,754
Other Rate Base											
4	Investment in Stored Gas	TDP-2 Exh 4	alloc #11	\$ 46,721	\$ 6,950	\$ 1,185	\$ 10,802	\$ 761	\$ 27,023	\$ -	\$ -
5	Materials and supplies	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-	-	-
6	Prepayments	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-	-	-
7	Misc deferred debits		alloc #12	-	-	-	-	-	-	-	-
8	Customer deposits	TDP-2 Exh 4	alloc #12	-	-	-	-	-	-	-	-
9	Customer Advances		alloc #12	-	-	-	-	-	-	-	-
10	Subtotal			\$ 46,721	\$ 6,950	\$ 1,185	\$ 10,802	\$ 761	\$ 27,023	\$ -	\$ -
11	Deferred Tax Liability	TDP-2 Exh 5	alloc #12	(1,598,923)	(152,398)	(20,982)	(183,759)	(10,104)	(391,564)	-	(840,117)
12	Total other rate base			\$ (1,552,202)	\$ (145,448)	\$ (19,797)	\$ (172,957)	\$ (9,343)	\$ (364,540)	\$ -	\$ (840,117)
13	Total Rate Base at 9-30-13			\$ 42,525,780	\$ 4,055,754	\$ 558,616	\$ 4,892,779	\$ 269,188	\$ 10,429,806	\$ -	\$ 22,319,637

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014-0086
Proposed Rates by Division

Line No	Particulars (a)	Gallatin (b)	Warsaw (c)	Rogersville (d)	Branson (e)
Monthly Customer Charges					
1	GS	\$ 20.00	\$ 15.00		
2	CS	50.00	30.00		
3	LVS	300.00	100.00		
4	ISS	cancelled	cancelled		
5	TS	300.00	100.00	\$ 300.00	\$ 300.00
6	GS-residential			20.00	20.00
7	GS-commercial			40.00	40.00
8	GS-residential-optional			NA	NA
9	GS-commercial-optional			NA	NA
10	LGS-large general service			50.00	50.00
11	LVS-large volume service			300.00	300.00
Commodity Charge per Ccf					
12	GS	\$ 0.7214	\$ 0.9500		
13	CS				
14	maximum	0.6860	1.0000		
15	minimum	0.2500	0.2500		
16	LVS				
17	maximum	0.4045	1.0000		
18	minimum	0.1000	0.1000		
19	ISS				
20	maximum	cancelled	cancelled		
21	minimum	cancelled	cancelled		
22	TS				
23	maximum	0.4886	1.0000		
24	minimum	0.1000	0.1000		
25	GS-residential			\$ 0.7396	\$ 0.9396
26	GS-residential-optional			1.2055	1.4055
27	GS-commercial			0.6848	0.8848
28	GS-commercial-optional			1.2686	1.4686
29	LGS-large general service				
30	maximum			0.6067	0.8067
31	minimum			0.0860	0.2860
32	LVS-large volume service				
33	maximum			0.5759	0.7759
34	minimum			0.0500	0.2500
35	TS - amounts per Mcf - replace MMBTU's				
36	maximum			5.2063	7.2063
37	minimum			3.3000	5.3000

Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Class Cost-of-Service and Rate Design
Demand/Commodity Costs Allocated Based on 2 Coldest Months of 2012 - 2013 Winter (2-MO)

Gallatin									
Line No	Particulars	Reference	Cost of Service	GS - ros	GS - comm	CS	LVS	ISS	TS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Customer Related Costs									
1	Customer Class Cost Assignment	KDT-3 Exh 1	\$ 768,893	\$ 607,834	\$ 97,880	\$ 45,983	\$ 2,864		\$ 14,322
2	Annual bills	customer count shaping	18,202	15,232	2,298	600	12		60
3	Monthly Customer Charge	In 3 + In 4		\$ 39.91	\$ 42.60	\$ 78.64	\$ 238.69		\$ 238.69
Demand and Commodity Related Costs									
4	Customer Class Cost Assignment	KDT-3 Exh 2	\$ 888,337	\$ 435,316	\$ 98,183	\$ 185,508	\$ 60,171	\$ -	\$ 109,181
5	Annual wx normalized sales volume - Mcf	retail demand & TDP-4	195,399	84,715	19,580	38,095	20,826		32,102
6	Commodity Charge - Mcf	In 8 + In 9		\$ 5.139	\$ 5.018	\$ 4.870	\$ 2.875		\$ 3.401

Warsaw									
Line No	Particulars	Reference	Cost of Service	GS - ros	GS - comm	CS	LVS	ISS	TS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Customer Related Costs									
1	Customer Class Cost Assignment	KDT-3 Exh 1	\$ 893,547	\$ 599,865	\$ 182,574	\$ 39,728	\$ 71,380	\$ -	\$ -
2	Annual bills	customer count shaping	13,063	10,024	2,331	420	288		
3	Monthly Customer Charge	In 3 + In 4		\$ 59.84	\$ 78.32	\$ 94.59	\$ 247.85		
Demand and Commodity Related Costs									
4	Customer Class Cost Assignment	KDT-3 Exh 2	\$ 2,016,639	\$ 801,361	\$ 258,485	\$ 330,390	\$ 826,405		
5	Annual wx normalized sales volume - Mcf	retail demand & TDP-4	189,672	47,680	20,596	32,673	88,724		
6	Commodity Charge - Mcf	In 8 + In 9		\$ 12.613	\$ 12.550	\$ 10.112	\$ 9.314	\$ -	\$ -

Summit Natural Gas of Missouri, Inc.
MPSC Case No GR-2014 - 0086
Class Cost-of-Service and Rate Design
Demand/Commodity Costs Allocated Based on 2 Coldest Months of 2012 - 2013 Winter (2-MO)

Rogersville

Line No	Particulars	Reference	Cost of Service	GS-res	GS-Res-Op	GS-Comm	GS-Comm - Op	LGS	LVS	TS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Customer Related Costs										
1	Customer Class Cost Assignment	KDT-3 Exh 1	\$ 4,046,684	\$ 1,719,152	\$ 1,630,562	\$ 452,796	\$ 166,738	\$ 41,841	\$ 7,494	\$ 28,102
2	Customer cost reassignment to Demand			-	(1,630,562)	-	(166,738)	-	-	-
3	Not amount to be recovered from Customer Charges			\$ 1,719,152	\$ -	\$ 452,796	\$ -	\$ 41,841	\$ 7,494	\$ 28,102
4	Annual bills	customer count shaping	128,822	56,820	53,866	12,574	4,272	804	98	360
5	Monthly Customer Charge	In 3 + In 4		\$ 30.28	\$ -	\$ 36.01	\$ -	\$ 52.04	\$ 78.06	\$ 78.06
Demand and Commodity Related Costs										
6	Customer Class Cost Assignment	KDT-3 Exh 2	\$ 9,847,086	\$ 1,979,208	\$ 1,500,609	\$ 1,351,599	\$ 180,161	\$ 682,392	\$ 642,727	\$ 3,510,370
7	Customer cost reassignment to Demand			-	1,630,562	-	166,738	-	-	-
8	Total amount to be recovered from Commodity Charges			\$ 1,979,208	\$ 3,131,171	\$ 1,351,599	\$ 346,899	\$ 682,392	\$ 642,727	\$ 3,510,370
9	Annual vs normalized sales volume - Mcf	retail demand & TDP-4	1,755,522	293,657	226,008	216,625	29,047	123,300	122,403	744,482
10	Commodity Charge - Mcf	In 8 + In 9		\$ 6.74	\$ 13.85	\$ 6.24	\$ 11.94	\$ 5.53	\$ 5.25	\$ 4.72

Branson

Line No	Particulars	Reference	Cost of Service	GS-res	GS-Res-Op	GS-Comm	GS-Comm - Op	LGS	LVS	TS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Customer Related Costs										
1	Assignment	KDT-3 Exh 1	\$ 1,248,397	\$ 482,686	\$ 149,434	\$ 272,248	\$ 56,266	\$ 263,850	\$ -	\$ 23,883
2	Customer cost reassignment to Demand			-	(149,434)	-	(56,266)	-	-	-
3	Not amount to be recovered from Customer Charges			\$ 482,686	\$ -	\$ 272,248	\$ -	\$ 263,850	\$ -	\$ 23,883
4	Annual bills	customer count shaping	9,694	4,378	1,356	2,076	396	1,392	-	96
5	Monthly Customer Charge	In 3 + In 4		\$ 110.25	\$ -	\$ 131.14	\$ -	\$ 189.55		\$ 248.78
Demand and Commodity Related Costs										
6	Customer Class Cost Assignment	KDT-3 Exh 2	\$ 6,842,628	\$ 652,502	\$ 89,884	\$ 787,078	\$ 43,297	\$ 1,677,649	\$ -	\$ 3,592,238
7	Customer cost reassignment to Demand			-	149,434	-	56,266	-	-	-
8	Not amount to be recovered from Customer Charges			\$ 652,502	\$ 239,298	\$ 787,078	\$ 99,593	\$ 1,677,649	\$ -	\$ 3,592,238
9	Annual vs normalized sales volume - Mcf	retail demand & TDP-4	421,185	22,127	3,764	49,397	2,518	135,147		208,232
10	Commodity Charge - Mcf	In 8 + In 9		\$ 29.49	\$ 83.57	\$ 15.93	\$ 39.54	\$ 12.41		\$ 17.25

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Rate Design with Customer Charge at Stated Values

Line No	Particulars	Reference	Costs	GS	CS	LVS	Transport
	(a)	(b)	(c) (d)	(e)	(f)	(g)	(h)
Gallatin							
Rate Design Calculations							
1	Customer costs	KDT-1	\$ 768,893				
2	Noncustomer costs	KDT-1	888,337				
3	Total Revenue Requirement	line 1 + line 2	<u>\$ 1,657,230</u>				
4	Monthly Customer Charge	proposed		\$ 20,000	\$ 50,000	\$ 300,000	\$ 300,000
5	Annual bills	TDP-1 Exh 3		17,530	600	12	60
6	Amount to Recover by Customer Class	line 4 * line 5	\$ 402,200	\$ 350,600	\$ 30,000	\$ 3,600	\$ 18,000
7	Residual amt from commodity charges	line 3 - line 6	\$ 1,255,030				
8	Percent to recover from each customer class	alloc #12	100.00%	59.93%	20.82%	6.75%	12.50%
9	Amount to recover from each customer class	line 7 * line 8	\$ 1,255,030	\$ 752,190	\$ 261,348	\$ 84,654	\$ 156,839
10	annual volumes In Mcf	TDP-1 Exh 3	195,398	104,275	38,095	20,028	32,102
11	commodity rate per Mcf	line 9 + line 10	<u>\$ 7,214</u>	<u>\$ 6,800</u>	<u>\$ 6,800</u>	<u>\$ 4,045</u>	<u>\$ 4,860</u>

Line No	Particulars	Reference	Costs	GS	CS	LVS	Transport
	(a)	(b)	(c) (d)	(e)	(f)	(g)	(h)
Warsaw							
Rate Design Calculations							
1	Customer costs	KDT-1	\$ 893,547				
2	Noncustomer costs	KDT-1	2,018,839				
3	Total Revenue Requirement	line 1 + line 2	<u>\$ 2,910,186</u>				
4	Monthly Customer Charge	proposed		\$ 20,000	\$ 50,000	\$ 300,000	\$ 300,000
5	Annual bills	TDP-1 Exh 3		12,355	420	288	-
6	Amount to Recover by Customer Class	line 4 * line 5	\$ 354,500	\$ 247,100	\$ 21,000	\$ 86,400	\$ -
7	Residual amt from commodity charges	line 3 - line 6	\$ 2,555,686				
8	Percent to recover from each customer class	alloc #12	100.00%	42.64%	16.38%	40.88%	
9	Amount to recover from each customer class	line 7 * line 8	\$ 2,555,686	\$ 1,089,682	\$ 418,703	\$ 1,047,302	\$ -
10	annual volumes In Mcf	TDP-1 Exh 3	189,673	68,276	32,673	88,724	
11	commodity rate per Mcf	line 9 + line 10	<u>\$ 15,860</u>	<u>\$ 12,615</u>	<u>\$ 12,615</u>	<u>\$ 11,804</u>	

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014 - 0086
Rate Design with Customer Charge at Stated Values

Line No	Particulars	Reference	Costs	GS-res	GS-Res-Op	GS-Comm	GS-Comm - Op	LGS	LVS	TS	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Rogersville											
Rate Design Calculations											
1	Customer costs	KDT-1	\$ 4,046,684								
2	Noncustomer costs	KDT-1	9,847,066								
3	Total Revenue Requirement	line 1 + line 2	<u>\$ 13,893,750</u>								
4	Monthly Customer Charge	proposed		\$ 20.00	\$ 20.00	\$ 40.00	\$ 40.00	\$ 50.00	\$ 300.00	\$ 300.00	
5	Annual bills	TDP-1 Exh 3		56,820	53,596	12,574	4,272	804	95	360	
6	Amount to Recover by Customer Class	line 4 X line 5	\$ 3,065,160	\$ 1,136,400	\$ 1,077,920	\$ 502,960	\$ 170,880	\$ 40,200	\$ 28,800	\$ 108,000	
7	Residual amt from commodity charges	line 3 - line 6	\$ 10,828,590								
8	Percent to recover from each customer class	alloc #12	100.00%	20.08%	15.21%	13.70%	1.82%	6.91%	6.51%	35.79%	
9	Amount to recover from each customer class	line 7 * line 8	\$ 10,828,590	\$ 2,171,975	\$ 1,846,550	\$ 1,483,395	\$ 197,619	\$ 748,091	\$ 704,989	\$ 3,875,992	
10	Add customer related costs to optional classes	line 6 - optional			1,077,920		170,880				
11	Total costs to recover from commodity charges	line 9 + line 10		\$ 2,171,975	\$ 2,724,470	\$ 1,483,395	\$ 368,499	\$ 748,091	\$ 704,989	\$ 3,875,992	
12	annual volumes in Mcf	TDP-1 Exh 3	1,755,522	293,657	226,008	216,625	20,047	123,300	122,403	744,482	
13	commodity rate per Mcf	line 11 + line 12		\$ 7.396	\$ 12.055	\$ 6.849	\$ 12.688	\$ 6.067	\$ 5.769	\$ 5.208	

Line No	Particulars	Reference	Costs	GS-res	GS-Res-Op	GS-Comm	GS-Comm - Op	LGS	LVS	TS	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Branson											
Rate Design Calculations											
1	Customer costs	KDT-1	\$ 1,248,397								
2	Noncustomer costs	KDT-1	6,842,628								
3	Total Revenue Requirement	line 1 + line 2	<u>\$ 8,091,025</u>								
4	Monthly Customer Charge	proposed		\$ 20.00	\$ 20.00	\$ 40.00	\$ 40.00	\$ 50.00	\$ 300.00	\$ 300.00	
5	Annual bills	TDP-1 Exh 3		4,378	1,396	2,078	396	1,392	-	84	
6	Amount to Recover by Customer Class	line 4 X line 5	\$ 308,360	\$ 87,560	\$ 27,120	\$ 83,040	\$ 15,840	\$ 69,600	\$ -	\$ 25,200	
7	Residual amt from commodity charges	line 3 - line 6	\$ 7,782,665								
8	Percent to recover from each customer class	alloc #12	100.00%	9.53%	1.31%	11.49%	0.83%	24.49%	0.00%	52.54%	
9	Amount to recover from each customer class	line 7 * line 8	\$ 7,782,665	\$ 741,789	\$ 102,128	\$ 894,436	\$ 49,179	\$ 1,905,913	\$ -	\$ 4,089,221	
10	Add customer related costs to optional classes	line 6 - optional			27,120		15,840				
11	Total costs to recover from commodity charges	line 9 + line 10		\$ 741,789	\$ 129,248	\$ 894,436	\$ 65,019	\$ 1,905,913	\$ -	\$ 4,089,221	
12	annual volumes in Mcf	TDP-1 Exh 3	421,186	22,127	3,764	49,397	2,519	135,147	-	208,232	
13	commodity rate per Mcf	line 11 + line 12		\$ 33.524	\$ 34.358	\$ 18.107	\$ 26.811	\$ 14.103	\$ -	\$ 19.638	

Summit Natural Gas of Missouri, Inc.
MPSC Case No. GR-2014-0086
Revenue Reduction Alternatives for Warsaw and Branson

Warsaw

Revenue Reduction Resulting from Warsaw rate cap at current LOO Rates

Line No	Customer Class	Warsaw - exh 3		Current LOO		Billing Determinants		Revenue Requirement Reduction			Revenue from Capped Rate		
		cust	comm/Ccf	cust	comm/Ccf	customers	volume - Mcf	Customer	Commodity	Total	Customer	Commodity	Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	GS	\$ 20.00	\$ 1,5960	\$ 15.00	\$ 0.9500	12,355	68,276	\$ 61,775	\$ 441,060	\$ 502,835	\$ 185,325	\$ 648,622	\$ 833,947
2	CS	50.00	1,2815	30.00	1,0000	420	32,673	8,400	91,973	100,373	12,600	326,730	339,330
3	LVS	300.00	1,1804	100.00	1,0000	288	88,724	57,600	160,062	217,662	28,800	887,240	916,040
4	TS												
5						<u>13,063</u>	<u>189,673</u>	<u>\$ 127,775</u>	<u>\$ 693,094</u>	<u>\$ 820,869</u>	<u>\$ 226,725</u>	<u>\$ 1,862,592</u>	<u>\$ 2,089,317</u>

Branson

Revenue Reduction Resulting from Branson Commodity Rates at \$0.2000 more than Rogersville commodity rate

	Customer Class	Branson - exh 3		Rogersville - proposed exh 3 plus \$0.20 per Ccf		Billing Determinants		Revenue Requirement Reduction			Net Revenue After Reduction		
		cust	comm/Ccf	cust	comm/Ccf	customers	volume - Mcf	Customer	Commodity	Total	Customer	Commodity	Total
6	GS-res	\$ 20.00	\$ 3,3524	\$ 20.00	\$ 0.9396	4,378	22,127	\$ -	\$ 533,877	\$ 533,877	\$ 87,560	\$ 207,912	\$ 295,472
7	GS-res-optional		3,4338		1,4055	1,356	3,764		76,346	76,346	-	52,902	52,902
8	GS-comm	40.00	1,8107	40.00	0.8848	2,076	49,397	-	457,383	457,383	83,040	437,053	520,093
9	GS-comm - optional		2,5811		1,4686	396	2,519		28,024	28,024	-	36,995	36,995
10	LGS	50.00	1,4103	50.00	0,8067	1,392	135,147	-	815,649	815,649	69,600	1,090,263	1,159,863
11	LVS	300.00	-	300.00	0,7759	-	-	-	-	-	-	-	-
12	TS - per Mcf	300.00	19.6378	300.00	7.2063	84	208,232	-	2,588,640	2,588,640	25,200	1,500,581	1,525,781
13						<u>9,682</u>	<u>421,186</u>	<u>\$ -</u>	<u>\$ 4,499,919</u>	<u>4,499,919</u>	<u>\$ 265,400</u>	<u>\$ 3,325,706</u>	<u>\$ 3,591,106</u>

**KENT D. TAYLOR
PROFESSIONAL QUALIFICATIONS**

**INDUSTRY
EXPERIENCE**

OCTOBER 1984 to PRESENT

Chairman, KTM, an energy management and consulting business specializing in the economic interests of large natural gas and electricity users.

JANUARY 1984 to OCTOBER 1984

Director of Gas Acquisitions, KN Energy, Inc. Responsible for natural gas supply for company's integrated pipeline system, operating in seven states. Other responsibilities included all liquids marketing, negotiation of transportation and exchange agreements, pursuit of additional markets, and gas sales agreements for affiliate exploration company.

APRIL 1981 to JANUARY 1984

Director of Corporate Development, Celeron Corporation. Responsible for new business development, acquisitions and mergers, strategy development for existing pipelines (Louisiana Intrastate Gas and Mid Louisiana Gas), and gas marketing for Rocky Mountain area exploration efforts.

AUGUST 1980 to APRIL 1981

Senior Sales Representative, Colorado Interstate Gas Company (CIG). Primary responsibility was new market development. Also negotiated industrial gas sales agreements.

APRIL 1978 to JULY 1980

Senior Staff Analyst, Special Projects, CIG. Responsibilities included formulation of negotiating strategies, initiation of new business opportunities and economic analyses for investment decisions.

JANUARY 1975 to AUGUST 1978

Senior Rate Analyst, CIG. All facets of interstate pipeline rate making.

KENT D. TAYLOR
PROFESSIONAL QUALIFICATIONS

EDUCATION

BSBA, University of Florida, Gainesville, Florida
1967
Major: Accounting

MS, The George Washington University, Washington D.C.
1972
Major: Public Administration

MBA, University of Colorado, Colorado Springs
1979
Major: Accounting/Finance

U.S. Naval Flight Training
Designated U.S. Naval Aviator July 1969

Defense Resource Management Education Course, Navy
Postgraduate School, Monterey, California
1988

PROFESSIONAL QUALIFICATIONS

Certified Public Accountant
Captain, U.S. Naval Reserve (ret)

OTHER TESTIMONY

Regie Du Gaz Natural Du Quebec
Florida Public Service Commission
Colorado Public Utilities Commission
Public Utilities Commission of Nevada
Federal Energy Regulatory Commission
Missouri Public Service Commission