

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

In the Matter of Summit Natural Gas of)
Missouri, Inc.'s Purchased Gas)
Adjustment Tariff Filing)

Case No. GR-2022-0122
Tariff No. YG-2022-0160

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its Recommendation, states as follows:

1. On November 17, 2021, the Commission issued an order that, in part, rejected the tariff sheets Summit Natural Gas of Missouri, Inc. ("SNGMO") had previously filed in this matter, and substituted, and that had been assigned Tracking No. JG-2022-0146. In that same order the Commission stated that SNGMO may file proposed PGA tariff sheets that include carrying costs at the current tariffed rate, excluding any "forward interest", until such time as the Commission determines alternative carrying costs.

2. Subsequently, on November 22, 2021, SNGMO filed new tariff sheets, Tariff No. YG-2022-0160, a cover letter, and revised work papers. The tariff sheets had issue dates of November 22, 2021, and effective dates of December 8, 2021.

3. On November 23, 2021, SNGMO submitted a substitute tariff sheet to correct a typographical error in tariff sheet No. 58, while all other tariff sheets filed in Tariff No. YG-2022-0160 remained unchanged.

4. Staff has reviewed SNGMO's filings and determined that the rates in the proposed tariff sheets, Tariff No. YG-2022-0160, were calculated in conformance with

SNGMO's PGA tariff, including the carrying cost application, and are consistent with the Commission's order issued on November 17, 2021.

5. Due to the limited time available to review the documentation supporting the ACA factors SNGMO submitted in this filing, Staff requests the Commission order Staff to submit its results and recommendations regarding the information in this ACA filing to the Commission on or before December 15, 2022.

WHEREFORE, for the foregoing reasons and those stated in Staff's Memorandum attached hereto, Staff recommends that the Commission issue an order approving SNGMO's tariff sheets, as substituted on November 23, 2021, in Tariff No. YG-2022-0160, on an interim, subject to refund status; and further order Staff to file its recommendation SNGMO's ACA filing no later than December 15, 2022.

Respectfully submitted,

/s/ Jamie S. Myers

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Attorney for Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record on this 29th day of November, 2021.

/s/ Jamie S. Myers

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2022-0122, Tariff No. YG-2022-0160
Summit Natural Gas of Missouri, Inc.

FROM: Michael J. Ensrud, Research/Data Analyst - Procurement Analysis Dept.

/s/ David M. Sommerer 11/29/2021 /s/ Jamie Myers 11/29/2021
Financial and Business Analysis Div. / Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Summit Natural Gas Scheduled Winter
PGA Filing Effective Date December 8, 2021

DATE: November 29, 2021

On November 17, 2021, the Missouri Public Service Commission (Commission) issued an *Order Rejecting Tariff, Approving Extended Recovery Period, Delegating Authority, and Directing Filing of Procedural Schedule*. This order requires the following:

1. The following tariff sheets filed in the matter by Summit and assigned Tracking No. JG-2022-0146, as substituted, are rejected:

P.S.C. MO No. 3

7th Revised Sheet No. 56, Cancelling 6th Revised Sheet No. 56
7th Revised Sheet No. 57, Cancelling 6th Revised Sheet No. 57
7th Revised Sheet No. 58, Cancelling 6th Revised Sheet No. 58

2. The Commission approves the uncontested request for an extended ACA recovery period due to Winter Storm Uri.
3. Summit may file proposed PGA tariff sheets that include carrying costs at the current tariffed rate, excluding any “forward interest”, until such time as the Commission determines alternative carrying costs.
4. The regulatory law judge assigned to this action shall have full authority to rule on any dispute relating to Summit’s tariff filed in compliance with this order, including approval, suspension, or rejection of a compliance tariff and any motions concerning the tariff effective date.
5. No later than December 1, 2021, Staff and Summit shall jointly submit a proposed procedural schedule to resolve the carrying cost issues.
6. This order shall become effective on November 19, 2021.

On November 22, 2021, Summit Natural Gas of Missouri, Inc. (“SNGMO” or “Company”) responded with a “new” (replacement) filing¹ comprised of a cover letter, replacement tariff Sheet, and revised work-papers. This filing is in response to the aforementioned Commission rejection order. The cover letter documents this filing as SNGMO’s response:

Pursuant to the Commission Order in Case No. GR-2022-0122, the accompanying tariff sheets are being issued November 22, 2021, to become effective on and after December 8, 2021.

The Tariff Sheets 56 / 57 / 58 have a December 8, 2021 effective date. The tariff sheets were filed to reflect changes in SNGMO’s Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season and changes in the Actual Cost Adjustment (ACA) factors. The “new” (lower²) rates incorporate lower carrying charges for the financing cost at the Commission- approved rate, along with the cost of the gas already utilized.

The cover letter states:

These revised sheets include changes to Company’s Purchased Gas Adjustment (PGA) Clause as approved by the Commission. These revisions reflect adjustments to the Regular Purchased Gas Adjustment (RPGA) and Actual Cost Adjustment (ACA) factors.

Spreading SNGMO’s 2020-2021 ACA under-recovery balance over five years, as the Company proposed here, still produces significant increases over existing ACA rates.

The increases resulting from the spreading of Storm Uri costs over five (5) years, as opposed to the typical recapture in 12 months, greatly lessened the applicable charge. This spreading of Storm Uri costs was the subject of Case No. GT-2022-0093. However, even after the implementation of this mitigation, there is still a significant increase over current ACA rates.

On November 23, 2021, SNGMO submitted a substitute tariff sheet to correct a typo in Tariff Sheet No. 58 (Rogersville). Beyond the one page that was in need of revision, SNGMO submitted verbatim copies of Tariff Sheet No. 56 (Gallatin) and Tariff Sheet No. 57 (Warsaw). SNGMO references the sheets as being issued November 22, 2021. Further, the pages continue to have the original issue date of November 22, 2021, but it is noted that the EFIS date for the submission is November 23, 2021.

On November 23, 2021, the Commission issued *Order Directing Expedited Staff Recommendation and Establishing Time For Response*. This order sets the deadline for Staff’s Recommendation as November 30, 2021.

¹ This filing is being treated like it is an extension of Case No. GR-2022-0122, even though the Commission rejected the prior version of tariffs filed in Case No. GR-2022-0122.

² “Lower” than the rates rejected, but higher than existing PGA rates.

As noted in the November 22, 2021 cover letter, for the Gallatin Division the Total PGA for firm sales customers will increase from \$0.3779/Ccf to \$0.6547/Ccf. For the Warsaw and Lake of the Ozarks Divisions, the Total PGA for firm sales customers will increase from \$0.3778/Ccf to \$1.0093/Ccf. For the Rogersville and Branson Divisions the Total PGA for firm sales customers will increase from \$0.4216/Ccf to \$1.0208/Ccf. (The Total PGA is the sum of the Regular PGA and the ACA rates)

Case No. GR-2022-0122, under which these changes were filed, was established to track SNGMO's PGA factors to be reviewed in its 2020-2021 ACA filing. Case No. GR-2021-0124 was established to track the Company's PGA factors to be reviewed in its (2019-2020) ACA filing. These rate changes should be made on an interim basis, subject to refund pending final Commission decisions in ACA Case No. GR-2022-0122 and ACA Case No. GR-2021-0124.

Due to the limited time available to review the documentation supporting the ACA factors submitted in this filing, the Procurement Analysis Department (PAD) requests permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 15, 2022.

The Staff has verified that the Company has filed its annual report and is not delinquent on any assessment. Staff has reviewed this filing and is not aware of any issue currently pending before the Commission that affects or is affected by this filing, other than those mentioned above.

Staff has reviewed this filing and determined that the rates on the proposed tariff sheets were calculated in conformance with SNGMO's PGA Clause – including the carrying cost application. The Company's amended treatment of carrying costs is consistent with the Commission's November 17, 2021 Order.

Staff asks the Commission to take notice of SNGMO's tariff language that allows for approval of these tariff sheets on less than thirty (30) days' notice is demonstrated by SNGMO's Commission-approved PGA clause allowing for ten (10) business days' for PGA change filings. Therefore, Staff recommends that the following tariff sheets filed on November 22, 2021 as substituted on November 23, 2021, be allowed to go into effect on December 8, 2021 on an interim, subject to refund basis.

P.S.C. MO No. 3

7th Revised Sheet No. 56, Cancelling 6th Revised Sheet No. 56

7th Revised Sheet No. 57, Cancelling 6th Revised Sheet No. 57

7th Revised Sheet No. 58, Cancelling 6th Revised Sheet No. 58

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Summit Natural Gas of)
Missouri, Inc.'s Changes to the Company's)
Purchase Gas Adjustment "PGA" Clause) Case No. GR-2022-0122

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MICHAEL J. ENSRUD and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

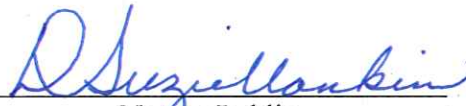
Further the Affiant sayeth not.


MICHAEL J. ENSRUD

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 24th day of November 2021.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: April 04, 2025
Commission Number: 12412070


Notary Public