

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

In the Matter of Summit Natural Gas of Missouri, Inc., Changes to Company's Purchased Gas Adjustment "PGA" Clause)	<u>Case No. GR-2021-0124</u>
)	Tariff No. YG-2021-0108
)	

**STAFF RECOMMENDATION REGARDING THE 2019-2020 ACTUAL COST
ADJUSTMENT FILING OF SUMMIT NATURAL GAS OF MISSOURI, INC.**

COMES NOW the Staff of the Missouri Public Service Commission, through counsel, and for its recommendation states:

1. On October 30, 2020 Summit Natural Gas of Missouri, Inc. (Summit) filed three proposed tariff sheets, each bearing a proposed effective date of November 15, 2020. These tariff sheets reflect changes in Summit'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 Summit's Actual Cost Adjustment (ACA) factors.

2. Summit filed three proposed substitute tariff sheets on November 2, 2020 to change the proposed effective date to November 16, 2020. The change was made so the tariff sheets bear an effective date that it at least ten business days from the filing date.

3. On November 6, 2020 the Procurement Analysis Department (Staff) recommended that the Commission approve the proposed tariff sheets on an interim and refundable basis.

4. On November 12, 2020 the Commission approved the proposed substitute tariff sheets on an interim and refundable basis, effective November 16, 2020, and ordered Staff to file a recommendation regarding its ACA review by December 15, 2021.

3. Staff reviewed Summit's filing and submits its recommendation in the accompanying *Memorandum*, incorporated herein by reference. Staff's analysis consisted of examining the prudence of Summit's gas purchasing decisions for this ACA period, conducting a reliability analysis, and reviewing Summit's hedging practices. Staff also compared Summit's billed revenues and its actual gas costs to determine whether there is an over-recovery or under-recovery of the ACA balances.

4. Staff proposes adjustments to the ending ACA balances in Summit's filing for the Gallatin Service Area. Staff proposes no adjustments to the ending ACA balances for the Rogersville/Branson and Warsaw/Lake of the Ozarks Service Areas. Staff recommends that the Commission issue an order establishing Summit's ending ACA balances as those in the "Staff Recommended Ending Balances" column of the table in the Recommendations section of the *Memorandum*.

5. Staff further recommends that the Commission order Summit to respond to its recommendations in the Billed Revenue and Actual Costs, Reliability Analysis and Gas Supply Planning, and Hedging Sections of the *Memorandum* within thirty days.

WHEREFORE, Staff recommends that the Commission issue an order (a) establishing Summit's ending ACA account balances as of August 31, 2020 as shown in the "Staff Recommended Ending Balances" column of the table in the Recommendations section of Staff's *Memorandum* and (b) directing Summit to respond within 30 days to Staff's recommendations.

Respectfully submitted,

/s/ Karen E. Bretz

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 15th day of December, 2021.

/s/ Karen E. Bretz