

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

In the Matter of the Application of Summit)	
Natural Gas of Missouri, Inc., for a Waiver)	Case No. GE-2013-0536
of Certain Hedging Requirements)	

STAFF RECOMMENDATION

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

1. On June 20, 2013, Summit Natural Gas of Missouri (SNG or Summit) filed an Application for Waiver (Application) requesting a waiver from specific provisions of a Stipulation and Agreement (Agreement) approved in April 2006 in Case No. GC-2006-0180.

2. The Application seeks a waiver from provisions in the Agreement that required mandatory hedging requirements for the gas distribution system formerly known as Southern Missouri Natural Gas Company (SMNG). SMNG was acquired by Summit when Summit formerly operated as Missouri Gas Utility, Inc. SMNG was merged into Summit on January 1, 2012.

3. Summit asserts in its Application (para.'s 16 and 18) that the factors that brought about the hedging requirements enumerated in subparagraphs 3.d. and 3.h. of the 2006 Agreement no longer exist and that the changes in management, ownership and corporate structure of Summit justify an elimination of the provisions identified above. Summit further asserts that since 2006 it "...has shown itself to be a competent purchaser of natural gas that is able to make prudent purchasing and hedging decisions."

4. The Procurement Analysis Staff has reviewed Summit's Application and its gas purchasing practices and states that it does not oppose this waiver request and recommends the Commission approve this Application as requested by the company for reasons more fully explained in its Memorandum attached hereto as Appendix A.

WHEREFORE, for the reasons stated above and in Staff's Memorandum, the Staff respectfully requests the Commission accept its recommendation and approve Summit's Application for Waiver.

Respectfully submitted,

/s/ Robert S. Berlin

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mail to all counsel of record this 31st day of July 2013.

/s/ Robert S. Berlin