

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

In the Matter of
Summit Natural Gas of Missouri's
Purchased Gas Adjustment

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Case No. GR-2013-0256
Tariff No. YG-2013-0222

STAFF RECOMMENDATION

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

1. On November 2, 2012, Summit Natural Gas of Missouri, Inc. (Summit or Company), successor in interest to Southern Missouri Gas Company (SMGC), filed a tariff sheet bearing an effective date of November 16, 2012.

2. The tariff sheet reflects changes in Summit's Purchased Gas Adjustment (PGA) factor and changes in the Actual Cost Adjustment (ACA) factor for its PGA area served by SMGC for the upcoming heating season of November 2012 – March 2013.

3. The same day the Commission issued its *Order Directing Filing Of Recommendation* (Order) regarding Summit's proposed tariff sheet no later than November 9, 2012.

4. Approval of this tariff will increase the Total PGA factor by \$0.0098 per hundred cubic feet (Ccf).

5. Staff has reviewed Summit's proposed tariff sheet and submits its recommendation contained in Staff's Memorandum attached hereto as Appendix A.

6. For reasons explained in its Memorandum, the Staff recommends the Commission approve Summit's proposed tariff sheet on an interim, subject to refund

status pending final Commission decision in Case No. GR-2013-0256 the case under which this change was filed.

WHEREFORE, the Staff recommends the Commission approve Tariff YG-2013-0222 as filed on November 2, 2012, on an interim subject to refund basis, allowing the tariff to become effective on November 16, 2012.

Respectfully submitted,

/s/ Robert S. Berlin

Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 9th day of November, 2012.

/s/ Robert S. Berlin

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
File No. GR-2013-0256, Tariff File No. YG-2013-0222,
Southern Missouri Gas Company d/b/a Southern Missouri Natural Gas Company,
L.P.

FROM: Michael L. Stahlman, Energy Department - Tariffs/Rate Design

Thomas M. Imhoff 11/09/12
Energy Unit/Date

Robert S. Berlin 11/09/12
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation on Summit Natural Gas of Missouri, Inc.'s Scheduled
Winter PGA Filing for the territory previously known as Southern Missouri Natural
Gas, L.P. Effective November 16, 2012

DATE: November 9, 2012

On November 1, 2012, Summit Natural Gas of Missouri, Inc. (SNG or Company) of Littleton, Colorado, filed a tariff sheet with a proposed effective date of November 16, 2012. On November 2, 2012, SNG filed a substitute tariff sheet. The tariff sheet was filed to reflect changes in SNG's Purchased Gas Adjustment (PGA) factor and changes in the Actual Cost Adjustment (ACA) factor for the upcoming heating season of November 2012 – March 2013.

The net effect of this change will increase the Total PGA factor to \$0.6290 per hundred cubic feet (Ccf) from the Total PGA factor of \$0.6198 per Ccf currently in effect. This represents an increase of \$0.0098 per Ccf.

On April 27, 2011, Southern Missouri Gas Company (SMGC) and Missouri Gas Utility (MGU) filed a joint application seeking approval of a merger and certain transactions with MGU as the surviving entity. On September 15, 2011, a Unanimous Stipulation and Agreement (S&A) was filed in the case, and on September 28, 2011, the Missouri Public Service Commission (Commission) issued its Order Approving Unanimous Stipulation and Agreement. In that S&A, MGU agreed to maintain each company's current tariffs separately and to formally adopt SMGC's tariffs upon Commission approval of the merger. As part of the S&A, MGU also agreed to change its name to eliminate any confusion between Missouri Gas Energy and MGU customers. On February 2, 2012, MGU filed for a name change to Summit Natural Gas of Missouri, Inc. and was approved by the Commission on March 5, 2012.

Case No. GR-2013-0256, under which this change was filed, was established to track SNG's PGA factors to be reviewed in its 2011-2012 ACA filing. Interim, subject to refund status should be maintained pending a final Commission decision in Case No. GR-2013-0256.

Due to the timing of this case, the ACA factor submitted in this filing does not include the adjusted balances ordered by the Commission in Case No. GR-2012-0123 effective August 18, 2012. Therefore the Company defers collecting an additional \$112,482 until the Procurement Analysis Unit (PAU) makes its recommendation in GR-2013-0256 on or before December 20, 2013. Because rates approved as a result of this filing are interim, subject to refund, final resolution of a matter regarding the ACA factor is not necessary at this time.

Due to the limited time available to review the documentation supporting the ACA factor submitted in this filing, the PAU requests permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 20, 2013.

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.

Staff has determined that the rates on the proposed tariff sheet were calculated in conformance with SNG's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by SNG's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheet be approved on an interim basis, subject to refund:

P.S.C. MO No. 2

30th Revised Sheet No. 27, Cancelling P.S.C. MO No. 1 29th Revised Sheet No. 27

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Summit Natural Gas of)	Case No. GR-2013-0256
Missouri's Purchased Gas Adjustment)	File No. YG-2013-0222

AFFIDAVIT OF MICHAEL STAHLMAN

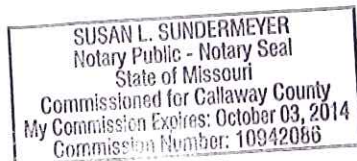
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Michael Stahlman, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Michael Stahlman

Subscribed and sworn to before me this 9th day of November, 2012.



Notary Public