

APPENDIX A

A. **ACA Account Balances:** SNG should be ordered to adjust the ACA account balances for its service territories in its next ACA filing to reflect the following adjustments:

| GR-2014-0097 (+) Under-recovery (-) Over-recovery | Ending Balances Per Filing | | |
|--|-----------------------------------|--------------------|------------------------|
| | | Adjustments | Ending Balances |
| Prior ACA Balance 8-31-12 | \$264,933 | \$0 | \$264,933 |
| Cost of Gas/Storage | \$4,972,477 | (\$71,968) | \$4,900,509 |
| Cost of Transportation | \$2,145,223 | \$0 | \$2,145,223 |
| Revenues | (\$7,409,286) | \$0 | (\$7,409,286) |
| ACA Approach for Interest | \$1,700 | \$0 | \$1,700 |
| Total ACA Balance 8-31-13 | (\$24,953) | (\$71,968) | (\$96,921) |

| GR-2014-0096 Northern Service Area (+) Under-recovery (-) Over-recovery | Ending Balances Per Filing | | |
|--|-----------------------------------|--------------------|------------------------|
| | | Adjustments | Ending Balances |
| Prior ACA Balance 8-31-12 | (\$74,709) | \$0 | (\$74,709) |
| Cost of Gas/Storage | \$682,493 | (\$1,608) | \$680,885 |
| Cost of Transportation | \$135,686 | \$0 | \$135,686 |
| Revenues – PGA billed | (\$716,785) | \$0 | (\$716,785) |
| Revenues- ** [REDACTED] ** billed | (\$23,406) | (\$5,118) | (\$28,524) |
| ACA Approach for Interest | (\$75) | \$0 | (\$75) |
| Total ACA Balance 8-31-13 | \$3,204 | (\$6,726) | (\$3,522) |

| GR-2014-0096 Southern Service Area (+) Under-recovery (-) Over-recovery | Ending Balances Per Filing | | |
|--|-----------------------------------|--------------------|------------------------|
| | | Adjustments | Ending Balances |
| Prior ACA Balance 8-31-12 | (\$21,679) | \$0 | (\$21,679) |
| Cost of Gas/Storage | \$666,473 | \$0 | \$666,473 |
| Cost of Transportation | \$126,058 | \$0 | \$126,058 |
| Revenues – PGA billed | (\$748,256) | \$0 | (\$748,256) |
| ACA Approach for Interest | \$0 | \$0 | \$0 |
| ACA cost correction | (\$2,952) | \$2,952 | \$0 |
| Total ACA Balance 8-31-13 | \$19,644 | \$2,952 | \$22,596 |

B. Gas Supply Planning Including Storage Management

As part of its obligation to provide safe and adequate service at just and reasonable rates, Summit must conduct reasonable long-range supply planning to meet its customer needs. For the supply planning, Summit must include consideration of natural gas storage.

Therefore, as part of this negotiated settlement, the Company shall incorporate documentation of its gas storage planning into its overall gas supply planning documents. The Company may choose to do this by adding gas storage considerations to the current Gas Supply Plan that the Company updates routinely and provides to Staff, or it may choose to use a different format such as the draft SNGM Delivery Plan 2013-14 it provided to Staff via email on June 5, 2013. Nothing in the agreement requires that SNG continue, renegotiate or terminate the existing Southern Star gas storage contract that expires after the 2015-2016 winter.

For all decisions regarding storage contract renewal, changes, renegotiation, reassignment, expiration or termination, the Company shall document and provide justification of the reason(s) for its decisions related to its storage contract(s). Such justification shall include, at a minimum, consideration of reliability and an estimated cost of each alternative considered compared with an estimated cost of renewing the storage contract(s) at present capacity.

This modification to the planning documentation will not obviate the Company's responsibility to evaluate and respond to new information or changed conditions, or to provide reasonable justification and documentation of the deviations from its Gas Supply Plan. Staff evaluates the reasonableness of the SNG Gas Supply Plan and the prudence of SNG either following or deviating from the Gas Supply Plan in the Staff review of the Company's Actual Cost Adjustment (ACA) filing. Staff encourages the Company to keep Staff apprised prior to the ACA review of any changes to contracts or deviations from plans that the Company views as substantial. SNG shall maintain contemporaneous documentation of the rationale(s) for development and approval of its Gas Supply Plan and revisions to the Gas Supply Plan. SNG shall maintain contemporaneous documentation of the rationale(s) for deviations from the Gas Supply Plan in implementation of the plan.

Specific requirements for the plans under this agreement are as follows:

1. **Procedure for Gas Supply Plan Development and Documentation:** Beginning with the gas supply planning for the 2015/2016 ACA period, the Company will develop, document and implement a Gas Supply Plan that includes a detailed storage plan that includes at a minimum planned monthly injection and withdrawal volumes and planned end of month storage inventory. The Company shall provide this Gas Supply Plan to Staff annually by May 15th for the upcoming September – August ACA period.

The Gas Supply Plan shall include a description by organization and job title of those persons responsible for its development and implementation.

The Company shall contemporaneously document all deviations from, or revisions to, the Gas Supply Plan, including the rationale or justification for each deviation or revision.

2. **Gas Supply Plan Minimum Required Content:** Beginning with the planning for storage injections for the spring of 2015, the Company shall incorporate the following into its documented Gas Supply Plan:
 - a. An estimate (forecast or budget) by month of the Company's natural gas demand for each Missouri service area, for the months of November, December, January, February and March for the upcoming ACA period and the Company shall consider natural gas demand for normal, warm and cold weather conditions;
 - b. A supply schedule by month for each Missouri service area of planned:
 - i. Injections into storage, withdrawals from storage and target end of month storage inventory balances for each of the Company's storage contracts;
 - ii. Supply to be provided by flowing gas purchased under contracts with terms of one month or longer;
 - iii. Supply to be provided by flowing gas purchased under contracts with terms of less than one month; and
 - iv. Hedges (fixed price or other financial hedges).

3. **Document and Record Retention Requirements:**

All documents and records required in this agreement shall be maintained by the Company for a period of no less than 5 years.