

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

In the Matter of)	
Summit Natural Gas of Missouri Inc.'s)	<u>File No. GR-2014-0086</u>
Filing of Revised Tariffs to Increase Its)	Tracking No. YG-2014-0285
Annual Revenues for Natural Gas Service)	

STAFF RESPONSE TO COMMISSION ORDER

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and pursuant to the Commission's order dated October 21 hereby submits this supplemental filing, stating:

1. On October 21, the Commission directed Staff to set forth the percentage of an average residential customer's total bill that is subject to the regulatory price determination by the Commission—i.e., the non-commodity charge that is the subject of this action.

2. Staff's response is attached here as Appendices A – D and incorporated by reference. Each Appendix sets forth the estimated percentage of a residential customer's bill that will represent the company's margin rate and the percentage that will represent the PGA rate. The margin rate—which, under the agreed-upon rate design in this matter, includes both a volumetric charge and a fixed charge—is that portion of the customer's bill subject to the Commission's regulation. The amount of revenue collected by this margin rate is at issue in this case. The PGA rate represents the company's gas costs, which are passed through directly to its customers and not subject to Commission regulation.

3. Each Appendix shows the percentage margin rate and percentage PGA rate for each of the company's four rate divisions, and for each ROE scenario requested by the Commission in its order dated October 15.

4. Staff determined the average residential customer bill by using normalized weather and annualized sales volumes as agreed to in this rate case, and by using the PGA rate requested by Summit Natural Gas of Missouri, Inc. in its October 17, 2014 winter PGA filing.

5. For example, Appendix A shows that in the Gallatin division, at a 10.30 percent ROE, approximately 64.39 percent of the average residential customer's bill will be the company's margin (non-commodity) charge, and approximately 35.61 percent of the bill will be gas costs. The total bill impact for the average Gallatin residential customer at a 10.30 ROE will be a 24 percent increase.

6. At an ROE of 11.50 percent, in the Warsaw division, the average residential customer bill will be about 75 percent margin charge and about 25 percent gas cost, for a total bill increase of approximately 40 percent.

WHEREFORE, Staff respectfully submits this response to the Commission's October 21 order.

Respectfully Submitted,

/s/ John D. Borgmeyer

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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 22nd day of October, 2014.

/s/ John D. Borgmeyer

Summit Natural Gas of Missouri, Inc.
Case No GR-2014 -0086
Pro forma At 10.30% Return on Equity Impact on Residential Customers

	Margin Rate Impact Percentage At 10.30%	PGA Rate Impact Percentage At 10.30%	Total Bill Impact Percentage At 10.30%
Gallatin			
GS- residential	64.39%	35.61%	24.00%
Warsaw			
GS- residential	74.21%	25.79%	37.74%
Rogersville			
GS-residential	63.08%	36.92%	26.41%
GS - residenital - optional	60.20%	39.80%	17.97%
Branson			
GS-residential	68.26%	31.74%	31.75%
GS - residenital - optional	66.11%	33.89%	25.05%

Summit Natural Gas of Missouri, Inc.
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Pro forma At 10.80% Return on Equity Impact on Residential Customers

	Margin Rate Impact Percentage At 10.80%	PGA Rate Impact Percentage At 10.80%	Total Bill Impact Percentage At 10.80%
Gallatin			
GS- residential	64.80%	35.20%	24.87%
Warsaw			
GS- residential	74.56%	25.44%	38.59%
Rogersville			
GS-residential	63.57%	36.43%	27.39%
GS - residenital - optional	60.81%	39.19%	19.22%
Branson			
GS-residential	68.67%	31.33%	32.64%
GS - residenital - optional	66.60%	33.40%	26.14%

Summit Natural Gas of Missouri, Inc.
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Pro forma At 11.15% Return on Equity Impact on Residential Customers

	Margin Rate Impact Percentage At 11.15%	PGA Rate Impact Percentage At 11.15%	Total Bill Impact Percentage At 11.15%
Gallatin			
GS- residential	65.08%	34.92%	25.46%
Warsaw			
GS- residential	74.80%	25.20%	39.16%
Rogersville			
GS-residential	63.91%	36.09%	28.06%
GS - residenital - optional	61.22%	38.78%	20.07%
Branson			
GS-residential	68.95%	31.05%	33.25%
GS - residenital - optional	66.94%	33.06%	26.88%

Summit Natural Gas of Missouri, Inc.
Case No GR-2014 -0086
Pro forma At 11.50% Return on Equity Impact on Residential Customers

	Margin Rate Impact Percentage At 11.50%	PGA Rate Impact Percentage At 11.50%	Total Bill Impact Percentage At 11.50%
Gallatin			
GS- residential	65.35%	34.65%	26.04%
Warsaw			
GS- residential	75.03%	24.97%	39.72%
Rogersville			
GS-residential	64.24%	35.76%	28.71%
GS - residenital - optional	61.63%	38.37%	20.90%
Branson			
GS-residential	69.23%	30.77%	33.84%
GS - residenital - optional	67.27%	32.73%	27.61%