

**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

**STAFF RECOMMENDATION REGARDING THE SUMMIT NATURAL GAS OF
MISSOURI'S 2011-2012 ACTUAL COST ADJUSTMENT (ACA)**

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 its ACA for the 2011-2012 annual period for rates to become effective November 16, 2012.

2. The Procurement Analysis Unit (Staff) has reviewed the Company's filing and submits its recommendation as explained in Staff's Memorandum attached hereto as Appendix A. As a part of its review, the Staff evaluated Summit's gas purchasing practices to evaluate the prudence of the Company's purchasing decisions for this ACA period. Staff's review also included a comparison of billed revenue recovery with actual gas costs to determine whether there exists an over-recovery or under-recovery of the ACA balance.

3. As a result of its review, Staff identified accounting adjustments to the Company's ACA balances as summarized in the Executive Summary portion of Staff's Memorandum. Positive adjustments represent an increase in gas costs to consumers and negative or "bracketed" adjustments represent a decrease or reduction in gas costs to consumers.

4. In summary, Staff's accounting adjustments for the 2011-2012 ACA period reduce the Company's filed under-recovery balance of \$489,355 by a total of \$224,422 to an adjusted under-recovery balance of \$264,933. These specific accounting adjustments are described in detail in Section II - Billed Revenue and Actual Gas Costs on pages 3 to 5 of Staff's Memorandum.

5. Staff recommends the Commission order Summit to respond to the Staff's recommendations regarding Summit's gas purchasing practices for its 2011-2012 ACA as summarized in Section V. of the Memorandum within 30 days.

WHEREFORE, for the reasons stated above and explained in Staff's Memorandum, the Staff recommends the Commission order Summit to respond to Staff's Recommendation within 30 days.

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 electronically mailed to all counsel of record this 6th day of June 2013.

/s/ Robert S. Berlin