

**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)	

NOTICE OF CORRECTION TO STAFF'S CLASS COST OF SERVICE REPORT

COMES NOW the Staff (Staff) of the Missouri Public Service Commission (Commission), by and through counsel, and for its notice of correction to Staff's Class Cost of Service Report in this matter respectfully states:

1. On June 13, 2014, Staff filed its Class Cost of Service Report for Summit Natural Gas of Missouri, Inc. ("SNG" or "Company"). Staff's report included three schedules (JM 1-1, JM 1-3, and JM 1-4) describing the results of Staff's class cost of service study for SNG's Branson, Rogersville and Warsaw rate districts, respectively. Each of those three schedules contained an error. Schedules JM 1-1 and JM 1-3 inadvertently omitted a column describing transportation service. Schedule JM 1-4 inadvertently used an incorrect value for income tax.

2. In order to correct the error, Staff hereby submits revised schedules JM 1-1 Revised, JM 1-3 Revised, and JM 1-4 Revised. Revised Schedules JM 1-1 Revised, JM 1-3 Revised and JM 1-4 Revised are attached here and incorporated by reference.

WHEREFORE, Staff submits this Notice of Correction and the attached schedules JM 1-1 Revised, JM 1-3 Revised, and JM 1-4 Revised to replace schedules JM 1-1, JM 1-3, JM 1-4 originally filed with Staff's Class Cost of Service Report filed in this case on June 13, 2014.

Respectfully Submitted,

**STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION**

/s/ John D. Borgmeyer

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 16th day of June, 2014.

/s/ John D. Borgmeyer

CLASS COST-OF-SERVICE SUMMARY

**SUMMIT NATURAL GAS
CASE NO. GR-2014-0086 (Branson District)
TEST YEAR ENDED September 30, 2013, Updated Through 12/31/13**

	TOTAL	RESIDENTIAL	GENERAL SERVICE	LARGE GENERAL SERVICE	LARGE VOLUME	TRANSPORTATION SERVICE
RATE BASE	\$47,256,104	\$6,636,853	\$6,519,648	\$11,697,692	\$0	\$22,401,911
REQUESTED RETURN	7.1200%	7.1200%	7.1200%	7.1200%	7.1200%	7.1200%
RETURN ON RATE BASE	\$3,364,635	\$472,544	\$464,199	\$832,876	\$0	\$1,595,016
O & M EXPENSES	\$421,831	\$114,107	\$92,603	\$144,601	\$0	\$70,521
DEPRECIATION EXPENSE	\$903,778	\$130,122	\$124,916	\$218,857	\$0	\$429,883
TAXES OTHER THAN INCOME	\$1,048,220	\$143,818	\$141,614	\$254,550	\$0	\$508,238
INCOME TAXES	\$1,171,891	\$164,585	\$161,679	\$290,088	\$0	\$555,539
TOTAL EXPENSES	\$3,545,720	\$552,632	\$520,811	\$908,096	\$0	\$1,564,180
TOTAL C-O-S	\$6,910,355	\$1,025,176	\$985,010	\$1,740,972	\$0	\$3,159,197
OTHER REVENUES	\$433,266	\$122,536	\$114,529	\$196,201	\$0	\$0
REQUIRED MARGIN REVENUE	\$6,477,089	\$902,640	\$870,482	\$1,544,770	\$0	\$3,159,197
CURRENT MARGIN REVENUES	\$2,443,237	\$184,071	\$344,529	\$763,735	\$0	\$1,150,902
ZERO REVENUE INCREASE PLUG	\$4,033,852	\$562,153	\$542,125	\$962,064	\$0	\$1,967,509
C-O-S MARGIN REVENUES @ 0%	\$2,443,237	\$340,487	\$328,356	\$582,706	\$0	\$1,191,688
REVENUE ABOVE (BELOW) COS	\$0	(\$156,416)	\$16,173	\$181,029	\$0	(\$40,786)
% INCREASE WITHOUT GAS COSTS	0.00%	84.98%	-4.69%	-23.70%	#DIV/0!	3.54%
CLASS' SHARE OF TOTAL MARGIN REVENUES	100.00%	13.94%	13.44%	23.85%	0.00%	48.77%
AVERAGE GAS COSTS	\$0					
% INCREASE WITH GAS COSTS	0.00%	84.98%	-4.69%	-23.70%	#DIV/0!	3.54%
CLASS' SHARE OF TOTAL REVENUES	100.00%	13.94%	13.44%	23.85%	0.00%	48.775%

CLASS COST-OF-SERVICE SUMMARY

**SUMMIT NATURAL GAS
CASE NO. GR-2014-0086 (Rogersville District)
TEST YEAR ENDED September 30, 2013, Updated Through 12/31/13**

	TOTAL	RESIDENTIAL	GENERAL SERVICE	LARGE GENERAL SERVICE	LARGE VOLUME	TRANSPORTATION SERVICE
RATE BASE	\$75,926,055	\$32,595,767	\$13,864,202	\$4,392,258	\$3,912,258	\$21,161,570
REQUESTED RETURN	7.1200%	7.1200%	7.1200%	7.1200%	7.1200%	7.1200%
RETURN ON RATE BASE	\$5,405,935	\$2,320,819	\$987,131	\$312,729	\$278,553	\$1,506,704
O & M EXPENSES	\$1,894,293	\$1,115,249	\$440,036	\$130,987	\$113,542	\$94,479
DEPRECIATION EXPENSE	\$2,056,342	\$879,042	\$371,273	\$118,715	\$105,979	\$581,334
TAXES OTHER THAN INCOME	\$729,794	\$309,300	\$131,232	\$42,520	\$38,044	\$208,699
INCOME TAXES	\$1,886,669	\$809,965	\$344,508	\$109,142	\$97,215	\$525,839
TOTAL EXPENSES	\$6,567,098	\$3,113,555	\$1,287,049	\$401,364	\$354,780	\$1,410,350
TOTAL C-O-S	\$11,973,033	\$5,434,374	\$2,274,180	\$714,092	\$633,332	\$2,917,054
OTHER REVENUES	\$98,095	\$87,489	\$10,606	\$0	\$0	\$0
REQUIRED MARGIN REVENUE	\$11,874,938	\$5,346,885	\$2,263,575	\$714,092	\$633,332	\$2,917,054
CURRENT MARGIN REVENUES	\$10,034,751	\$3,717,806	\$1,895,892	\$660,338	\$547,613	\$3,213,102
ZERO REVENUE INCREASE PLUG	\$1,840,187	\$828,574	\$350,772	\$110,659	\$98,144	\$452,038
C-O-S MARGIN REVENUES @ 0%	\$10,034,751	\$4,518,310	\$1,912,802	\$603,434	\$535,189	\$2,465,016
REVENUE ABOVE (BELOW) COS	(\$0)	(\$800,504)	(\$16,910)	\$56,904	\$12,424	\$748,086
% INCREASE WITHOUT GAS COSTS	0.00%	21.53%	0.89%	-8.62%	-2.27%	-23.28%
CLASS' SHARE OF TOTAL MARGIN REVENUES	100.00%	45.03%	19.06%	6.01%	5.33%	24.56%
AVERAGE GAS COSTS	\$0					
% INCREASE WITH GAS COSTS	0.00%	21.53%	0.89%	-8.62%	-2.27%	-23.28%
CLASS' SHARE OF TOTAL REVENUES	100.00%	45.03%	19.06%	6.01%	5.33%	24.565%

CLASS COST-OF-SERVICE SUMMARY

SUMMIT NATURAL GAS
CASE NO. GR-2014-0086 (Warsaw District)
TEST YEAR ENDED September 30, 2013, Updated Through 12/31/13

	TOTAL	GENERAL SERVICE	COMMERCIAL SERVICE	TRANSPORTATION SERVICE	LARGE VOLUME	UNMETERED GAS LIGHTS
RATE BASE	\$16,323,511	\$6,324,998	\$4,566,839	\$0	\$5,431,674	\$0
REQUESTED RETURN	7.1200%	7.1200%	7.1200%	7.1200%	7.1200%	7.1200%
RETURN ON RATE BASE	\$1,162,234	\$450,340	\$325,159	\$0	\$386,735	\$0
O & M EXPENSES	\$227,063	\$95,318	\$60,752	\$0	\$70,992	\$0
DEPRECIATION EXPENSE	\$438,659	\$169,351	\$123,080	\$0	\$146,227	\$0
TAXES OTHER THAN INCOME	\$342,786	\$131,401	\$96,124	\$0	\$115,261	\$0
INCOME TAXES	\$405,598	\$157,160	\$113,474	\$0	\$134,963	\$0
TOTAL EXPENSES	\$1,414,106	\$553,230	\$393,432	\$0	\$467,444	\$0
TOTAL C-O-S	\$2,576,340	\$1,003,570	\$718,591	\$0	\$854,179	\$0
OTHER REVENUES	\$8,810	\$7,745	\$1,065	\$0	\$0	\$0
REQUIRED MARGIN REVENUE	\$2,567,530	\$995,825	\$717,526	\$0	\$854,179	\$0
CURRENT MARGIN REVENUES	\$1,261,854	\$393,886	\$345,880	\$0	\$522,088	\$0
ZERO REVENUE INCREASE PLUG	\$1,305,676	\$506,411	\$364,886	\$0	\$434,379	\$0
C-O-S MARGIN REVENUES @ 0%	\$1,261,854	\$489,414	\$352,640	\$0	\$419,800	\$0
REVENUE ABOVE (BELOW) COS	\$0	(\$95,528)	(\$6,760)	(\$0)	\$102,288	(\$0)
% INCREASE WITHOUT GAS COSTS	0.00%	24.25%	1.95%	#DIV/0!	-19.59%	#DIV/0!
CLASS' SHARE OF TOTAL MARGIN REVENUES	100.00%	38.79%	27.95%	0.00%	33.27%	0.00%
AVERAGE GAS COSTS	\$0					
% INCREASE WITH GAS COSTS	0.00%	24.25%	1.95%	#DIV/0!	-19.59%	#DIV/0!
CLASS' SHARE OF TOTAL REVENUES	100.00%	38.79%	27.95%	0.00%	33.27%	0.00%