

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

In the Matter of Summit Natural Gas of Missouri, Inc.)	<u>File No. GR-2016-0091</u>
Changes to Company's Purchased Gas)	Tariff No. JG-2016-0106
Adjustment (PGA) Clause)	

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its recommendation in this matter hereby respectfully states:

1. On October 19, 2015, Summit Natural Gas of Missouri, Inc. ("SNGMO" or "Company") filed three tariff sheets to reflect changes in its Purchased Gas Adjustment (PGA) factors as a result of estimated changes in the cost of natural gas for the upcoming season and changes in the Company's Actual Cost Adjustment (ACA) factors. The tariff sheets bear a proposed effective date of November 1, 2015.¹

2. The Commission ordered Staff to file its recommendation regarding SNGMO's tariff filing no later than October 26, 2015.

3. The changes in the PGA factors applicable to the Company's Gallatin Division will decrease the general service customers' Total PGA from the current \$0.6229 per Ccf (100 cubic feet) to \$0.3832 per Ccf. The proposed change represents a \$0.2397 per Ccf decrease.

4. The changes in the PGA factors applicable to the Company's Warsaw and Lake of the Ozarks Divisions will decrease the general service customers' Total PGA

¹ Staff would note that since the tariff sheets were filed on October 19 with a requested effective date of November 1, Staff believes the filing did not technically provide 10 business days' notice for the PGA changes as required in Company's tariffs (the filing provided 9 business days' notice). Although Staff is recommending approval of the tariff sheets in this case, Staff would recommend that all future filings be made with the required notice.

from the current \$0.6385 per Ccf to \$0.5091 per Ccf. The proposed change represents a \$0.1294 per Ccf decrease.

5. The changes in the PGA factors applicable to the Company's Rogersville and Branson Divisions will decrease the general service customers' Total PGA from the current \$0.6652 per Ccf to \$0.4718 per Ccf. The proposed change represents a \$0.1934 per Ccf decrease.

6. The Company's filing also reflects adjustments to the Company's ACA factors. Staff's Procurement Analysis Unit (PAU) will review the Company's ACA filing and may recommend adjustments to the ACA account balance(s). Due to the limited time available to review the documentation supporting the ACA factors represented in this filing, the PAU has requested permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 16, 2016.

7. Case No. GR-2016-0091, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2014-2015 ACA filing. Case Nos. GR-2015-0101 and GR-2015-0102 (consolidated) were established to track the Company's PGA factors to be reviewed in its 2013-2014 ACA filing. As explained in Staff's *Memorandum*, attached hereto and incorporated herein by reference, Staff has reviewed the current filing and determined that the rates on the proposed tariff sheets were calculated in conformance with the Company's PGA clause. Therefore, Staff recommends the Commission approve the tariff sheets on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2016-0091, GR-2015-0101 and GR-2015-0102.

8. Staff also recommends the Commission order PAU Staff to file the results of its review of the ACA factors represented in this filing no later than December 16, 2016.

9. Staff has verified that the Company has filed its annual report, and is not delinquent on its PSC assessment. Staff is not aware of any other matters before the Commission that affects or is affected by this filing, other than those mentioned above.

10. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days' notice is demonstrated by SNGMO's Commission-approved PGA clause allowing for ten (10) business days' notice for PGA change filings.

WHEREFORE, Staff recommends the Commission approve the following tariff sheets on an interim basis, subject to refund, and that the Commission order PAU Staff to file the results of its ACA review in this docket no later than December 16, 2016:

P.S.C. MO No. 3

1st Revised Sheet No. 56, Cancelling Original Sheet No. 56

1st Revised Sheet No. 57, Cancelling Original Sheet No. 57

1st Revised Sheet No. 58, Cancelling Original Sheet No. 58

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

Missouri Bar No. 33825

Attorney for the Staff of the

Missouri Public Service

Commission

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 23rd day of October, 2015.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2016-0091, File No. JG-2016-0106
Summit Natural Gas of Missouri, Inc.

FROM: Byron M. Murray, Energy Unit – Tariffs/Rate Design

/s/ Thomas M. Imhoff 10/23/2015
Operational Analysis Department/Date

/s/ Jeffrey A. Keevil 10/23/2015
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Summit Natural Gas Scheduled Winter
PGA Filing Effective Date November 1, 2015

DATE: October 23, 2015

On October 19, 2015, Summit Natural Gas of Missouri, Inc. (“SNGMO” or “Company”), filed three tariff sheets bearing a proposed effective date of November 1, 2015. The tariff sheets were filed to reflect changes in SNGMO’s Purchased Gas Adjustment (“PGA”) factors as the result of estimated changes in the cost of natural gas for the upcoming winter season and changes in the Actual Cost Adjustment (“ACA”) factors.

These revised sheets reflect a significant reduction in the all of the SNGMO’s PGA rates due to a decline in the gas prices.

The changes in the PGA factors applicable to the Company’s Gallatin Division will decrease the general service customers’ Total PGA from the current \$0.6229 per Ccf (100 cubic feet) to \$0.3832 per Ccf. The proposed change represents a \$0.2397 per Ccf decrease.

The changes in the PGA factors applicable to the Company’s Warsaw and Lake of the Ozarks Divisions will decrease the general service customers’ Total PGA from the current \$0.6385 per Ccf to \$0.5091 per Ccf. The proposed change represents a \$0.1294 per Ccf decrease.

The changes in the PGA factors applicable to the Company’s Rogersville and Branson Divisions will decrease the general service customers’ Total PGA from the current \$0.6652 per Ccf to \$0.4718 per Ccf. The proposed change represents a \$0.1934 per Ccf decrease.

Case No. GR-2016-0091, under which these changes were filed, was established to track SNGMO’s PGA factors to be reviewed in its 2014-2015 ACA filing. Case Nos. GR-2015-0101 and GR-2015-0102 (consolidated) were established to track the Company’s PGA factors to be reviewed in its 2013-2014 ACA filing. These rate changes should be made on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2016-0091, GR-2015-0101 and GR-2015-0102.

Due to the limited time available to review the documentation supporting the ACA factors submitted in this filing, the Procurement Analysis Unit (“PAU”) requests permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 16, 2016.

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, other than those mentioned above.

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

P.S.C. MO No. 3

1st Revised Sheet No. 56, Cancelling Original Sheet No. 56

1st Revised Sheet No. 57, Cancelling Original Sheet No. 57

1st Revised Sheet No. 58, Cancelling Original Sheet No. 58

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

In the Matter of Summit Natural Gas of)
Missouri Inc., Changes to Company's) Case No. GR-2016-0091
Purchased Gas Adjustment (PGA) Clause)

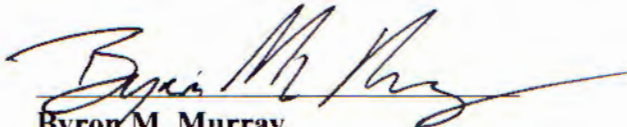
AFFIDAVIT OF BYRON M. MURRAY

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW Byron M. Murray and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Recommendation and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.


Byron M. Murray

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 22nd day of October, 2015.


NOTARY PUBLIC

