

**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-2013-0257

**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), formerly known as Missouri Gas Utility (MGU), filed its ACA for the 2011-2012 annual period for rates to become effective November 17, 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 for both its Northern and Southern Systems as summarized in the Executive Summary portion, pages 1-3, 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, on the Northern System, Staff's accounting adjustments for the 2011-2012 ACA period increase the Company's filed over-recovery balance of \$72,263 by a total of \$2,446 to an adjusted over-recovery balance of \$74,709. On the Southern System, Staff's accounting adjustments for the 2011-2012 ACA period reduce the Company's filed over-recovery balance of \$62,068 by a total of \$40,389 to an adjusted over-recovery balance of \$21,679. 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 as summarized on pages 8-9 of the Memorandum, Section V. Recommendations 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

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 24th day of July 2013.

/s/ Robert S. Berlin