

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

In the Matter of Summit Natural Gas of Missouri, Inc. )	<b><u>File No. GR-2017-0126</u></b>
Changes to Company's Purchased Gas )	Tariff No. YG-2017-0062
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 26, 2016, 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 9, 2016. On October 27, 2016, the Company filed substitute tariff sheets to correct an error in its original filing.

2. The Commission ordered Staff to file its recommendation regarding SNGMO's tariff filing no later than October 31, 2016.

3. The changes applicable to the Company's Gallatin Division will decrease the general service customers' Total PGA from the current \$0.3832 per Ccf (100 cubic feet) to \$0.3517 per Ccf. The proposed change represents a \$0.0315 per Ccf decrease.

4. The changes applicable to the Company's Warsaw and Lake of the Ozarks Divisions will decrease the general service customers' Total PGA from the current \$0.5091 per Ccf to \$0.4664 per Ccf. The proposed change represents a \$0.0427 per Ccf decrease.

5. The changes applicable to the Company's Rogersville and Branson Divisions will increase the general service customers' Total PGA from the current \$0.4718 per Ccf to \$0.5058 per Ccf. The proposed change represents a \$0.0340 per Ccf increase.

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 18, 2017.

7. Case No. GR-2017-0126, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. Case No. GR-2016-0091 was established to track the Company's PGA factors to be reviewed in its 2014-2015 ACA filing. Any rate change implemented pursuant to this tariff filing should be implemented on an interim basis, subject to refund, pending final Commission decisions in Case Nos. GR-2017-0126 and GR-2016-0091. 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 (as substituted on October 27, 2016) 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-2017-0126 and GR-2016-0091.

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 18, 2017.

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 except as noted herein.

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 (as substituted on October 27, 2016) on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2017-0126 and GR-2016-0091, and that the Commission order PAU Staff to file the results of its ACA review in this docket no later than December 18, 2017:

P.S.C. MO No. 3

2nd Revised Sheet No. 56, Cancelling 1st Revised Sheet No. 56

2nd Revised Sheet No. 57, Cancelling 1st Revised Sheet No. 57

2nd Revised Sheet No. 58, Cancelling 1st Revised 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 31<sup>st</sup> day of October, 2016.

**/s/ Jeffrey A. Keevil**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2017-0126, Tariff No. YG-2017-0062  
Summit Natural Gas of Missouri, Inc.

FROM: David M. Sommerer, Manager - Procurement Analysis Unit

/s/ David M. Sommerer 10/31/2016  
Commission Staff Division/Date

/s/ Jeffrey A. Keevil 10/31/2016  
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Summit Natural Gas Scheduled Winter  
PGA Filing Effective Date November 9, 2016

DATE: October 31, 2016

On October 26, 2016, Summit Natural Gas of Missouri, Inc. (“SNGMO” or “Company”), filed three tariff sheets bearing a proposed effective date of November 9, 2016. 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. On October 27, 2016, SNGMO filed substitute tariff sheets to correct a minor rate error on Sheet 58.

Pursuant to the Company’s tariffs, its Total PGA rate includes two factors: (1) the Regular Purchased Gas Adjustment (RPGA), which reflects the Company’s best estimate of its cost of gas for the upcoming season, and (2) the Actual Cost Adjustment (ACA), which results from the corrections made through the Deferred Purchased Gas Cost-Actual Cost Adjustment Accounts.

The changes in the PGA factors applicable to the Company’s Gallatin Division will decrease the general service customers’ Total PGA from the current \$0.3832 per Ccf (100 cubic feet) to \$0.3517 per Ccf. The proposed change represents a \$0.0315 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 \$0.5091 per Ccf to \$0.4664 per Ccf. The proposed change represents a \$0.0427 per Ccf decrease.

The changes in the PGA factors applicable to the Company’s Rogersville and Branson Divisions will increase the general service customers’ Total PGA from the current \$0.4718 per Ccf to \$0.5058 per Ccf. The proposed change represents a \$0.0340 per Ccf increase.

Case No. GR-2017-0126, under which these changes were filed, was established to track SNGMO’s PGA factors to be reviewed in its 2015-2016 ACA filing. Case No. GR-2016-0091 was established to track the Company’s PGA factors to be reviewed in its 2014-2015 ACA filing. These rate changes should be made on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2017-0126 and GR-2016-0091.

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 18, 2017.

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 filed on October 26, 2016 and as substituted on October 27, 2016 be approved on an interim basis, subject to refund:

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P.S.C. MO No. 3

2<sup>nd</sup> Revised Sheet No. 56, Cancelling 1<sup>st</sup> Revised Sheet No. 56

2<sup>nd</sup> Revised Sheet No. 57, Cancelling 1<sup>st</sup> Revised Sheet No. 57

2<sup>nd</sup> Revised Sheet No. 58, Cancelling 1<sup>st</sup> Revised Sheet No. 58

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of Summit Natural Gas of ) Case No. GR-2017-0126  
Missouri, Inc.'s Changes to Company's )  
Purchase Gas Adjustment "PGA" Clause )

**AFFIDAVIT OF DAVID M. SOMMERER**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

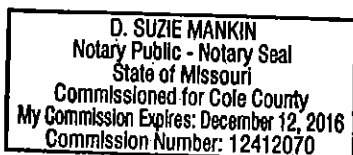
**COMES NOW DAVID M. SOMMERER** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing Staff Recommendation in Memorandum form; and that the same is true and correct according to his best knowledge and belief.

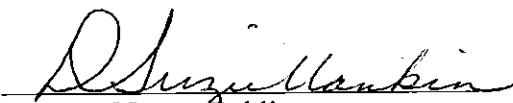
Further the Affiant sayeth not.

  
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**DAVID M. SOMMERER**

**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 31<sup>st</sup> day of October 2016.



  
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Notary Public