

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

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

**STAFF RECOMMENDATION REGARDING SUMMIT NATURAL GAS OF
MISSOURI, INC.'S 2015-2016 ACTUAL COST ADJUSTMENT FILING**

COMES NOW the Staff of the Missouri Public Service Commission in the above-captioned matter and files its Actual Cost Adjustment (“ACA”) Recommendation in this case concerning Summit Natural Gas of Missouri, Inc.’s (“Summit” or “Company”) 2015-2016 ACA filing as set forth in the accompanying Staff Recommendation Memorandum (Appendix A), and further states as follows:

1. Summit filed its ACA for the 2015-2016 ACA period in this case on October 26, 2016.¹ This filing contained Summit’s ACA account balance calculation.
2. The Procurement Analysis Unit (“Staff”) has reviewed Summit’s filing and submits its recommendation as further explained in the accompanying Staff Recommendation Memorandum, marked Appendix A (which is incorporated herein by reference). Staff’s analysis consisted of an examination of Summit’s gas purchasing practices to evaluate the prudence of the Company’s purchasing decisions for this ACA period; a reliability analysis, including a review of estimated peak day requirements and the capacity levels needed to meet those requirements and a review of supply plans for various weather conditions; and a hedging review to evaluate the reasonableness of the Company’s hedging practices for this ACA period. Staff’s review also included a comparison of the Company’s billed revenues and its actual gas costs to

¹ Summit filed substitute tariff sheets one day later, on October 27, 2016.

determine whether there exists an over-recovery or under-recovery of the ACA balances. An over-recovery by the Company is shown as a negative ACA balance that must be returned to customers; an under-recovery is shown as a positive ACA balance that must be collected from customers.

3. Based on its review, as discussed in detail in the accompanying Staff Recommendation Memorandum, Staff recommends the Commission issue an order requiring Summit to make the adjustments and reflect the Staff recommended ending over- or under-recovery balances for this ACA period as shown in the tables in the “Recommendations” section of the Staff Recommendation Memorandum.

4. In addition to the adjustments referenced above, based on its review Staff has certain concerns and recommendations as reflected in the accompanying Staff Recommendation Memorandum. Staff recommends the Commission order Summit to respond to these recommendations and concerns within forty-five (45) days.

WHEREFORE, for the reasons stated above and discussed in detail in the accompanying Staff Recommendation Memorandum, Staff recommends the Commission issue an order directing Summit to respond within 45 days to Staff’s recommendations and concerns included in the Staff Recommendation Memorandum, and to make the adjustments and reflect the Staff recommended ending over- or under-recovery balances for this ACA period as shown in the tables in the “Recommendations” section of the Staff Recommendation Memorandum.

Respectfully submitted,

/s/ Jeffrey A. Keevil

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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 11th day of December, 2017.

/s/ Jeffrey A. Keevil