

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

In the Matter of Summit Natural Gas of Missouri, Inc.'s) **Case No. GR-2018-0106**
Changes to Company's Purchased Gas Adjustment) Tariff No. YG-2018-0045
(PGA) Factors to be reviewed in its 2016-2017 ACA)
Filing)

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 25, 2017, 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. Those tariff sheets contained a proposed effective date of November 8, 2016. On October 26, 2017, the Company filed substitute tariff sheets to correct the proposed effective date error in its original filing and contain a proposed effective date of November 8, 2017.

2. The Commission, in its *Order Revising Deadlines*, ordered Staff to file its recommendation regarding SNGMO's tariff filing no later than October 30, 2017.

3. The changes applicable to the Company's Gallatin Division will increase the firm sales customers' Total PGA from \$0.3517 per Ccf to \$0.4507 per Ccf. The proposed change represents a \$0.0990 per Ccf increase.

4. The changes applicable to the Company's Warsaw and Lake of the Ozarks Divisions will decrease the firm sales customers' Total PGA from \$0.4664 per Ccf to \$0.4336 per Ccf. The proposed change represents a \$0.0328 per Ccf decrease.

5. The changes applicable to the Company's Rogersville and Branson Divisions will increase the firm sales customers' Total PGA from \$0.5058 per Ccf to \$0.5122 per Ccf. The proposed change represents a \$0.0064 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 17, 2018.

7. Case No. GR-2018-0106, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2016-2017 ACA filing. Case No. GR-2017-0126 was established to track the Company's PGA factors to be reviewed in its 2015-2016 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-2018-0106 and GR-2017-0126. 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 26, 2017) 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-2018-0106 and GR-2017-0126.

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 17, 2018.

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 26, 2017) on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2018-0106 and GR-2017-0126, and that the Commission order PAU Staff to file the results of its ACA review in this docket no later than December 17, 2018:

P.S.C. MO No. 3

3rd Revised Sheet No. 56, Cancelling 2nd Revised Sheet No. 56

3rd Revised Sheet No. 57, Cancelling 2nd Revised Sheet No. 57

3rd Revised Sheet No. 58, Cancelling 2nd Revised Sheet No. 58

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

Missouri Bar No. 33825

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Attorney for the Staff of the
Missouri Public Service Commission

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 30th day of October, 2017.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2018-0106, Tariff No. YG-2018-0045
Summit Natural Gas of Missouri, Inc.

FROM: Michael J. Ensrud, Rate & Tariff Examiner II - Procurement Analysis Unit

/s/ David M. Sommerer 10/30/2017 /s/ Jeffrey A. Keevil 10/30/2017
Commission Staff Division/Date Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Summit Natural Gas Scheduled Winter
PGA Filing Effective Date November 8, 2017

DATE: October 30, 2017

On October 25, 2017, Summit Natural Gas of Missouri, Inc. (“SNGMO” or “Company”), filed three tariff sheets bearing a proposed effective date of November 8, 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 26, 2017, SNGMO filed substitute tariff sheets to correct a minor error (incorrect date) on Sheets 56, 57, and 58. These pages now reflect a November 8, 2017 effective date.

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 increase the firm sales customers’ Total PGA from \$0.3517/Ccf to \$0.4507/Ccf.¹

The changes in the PGA factors applicable to the Company’s Warsaw and Lake of the Ozarks Divisions will decrease the firm sales customers’ Total PGA from \$0.4664/Ccf to \$0.4336/Ccf.²

The changes in the PGA factors applicable to the Company’s Rogersville and Branson Divisions will increase the firm sales customers’ Total PGA from \$0.5058/Ccf to \$0.5122/Ccf.³

On October 26, 2017, the Commission issued an ORDER DIRECTING EXPEDITED STAFF RECOMMENDATION, which established an October 31, 2017 deadline for Staff to file its recommendation

¹ This change constitutes a \$0.099 increase per Ccf.

² This change constitutes a \$0.0328 decrease per Ccf.

³ This change constitutes a \$0.0064 increase per Ccf.

Also on October 26, 2017, the Commission issued an ORDER REVISING DEADLINES, which shortened the deadline for Staff to file its recommendation to October 30, 2017. This memo is Staff's response.

Case No. GR-2018-0106, under which these changes were filed, was established to track SNGMO's PGA factors to be reviewed in its 2016-2017 ACA filing. Case No. GR-2017-0126 was established to track the Company's PGA factors to be reviewed in its 2015-2016 ACA filing. These rate changes should be made on an interim, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2018-0106 and GR-2017-0126.

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 17, 2018.

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 25, 2017 as substituted on October 26, 2017 be approved on an interim basis, subject to refund:

P.S.C. MO No. 3

3rd Revised Sheet No. 56, Cancelling 2nd Revised Sheet No. 56
3rd Revised Sheet No. 57, Cancelling 2nd Revised Sheet No. 57
3rd Revised Sheet No. 58, Cancelling 2nd Revised Sheet No. 58

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

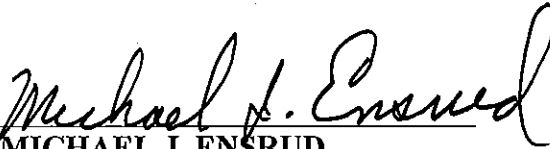
In the Matter of Summit Natural Gas of)
Missouri, Inc., Changes to Company's)
Purchase Gas Adjustment (PGA) Clause) Case No. GR-2018-0106

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW MICHAEL J. ENSRUD 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.

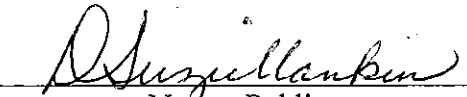
Further the Affiant sayeth not.


MICHAEL J. ENSRUD

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 30th day of October, 2017.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 12, 2020 Commission Number: 12412070
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Notary Public