

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

In the Matter of Summit Natural Gas of)
Missouri, Inc.'s Purchased Gas) **Case No. GR-2022-0122**
Adjustment Tariff Filing)
)

STAFF STATEMENT OF POSITION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and for its *Staff Statement of Position*, states as follows:

1. What rate should be used to determine allowable carrying costs for SNGMO’s financing of unrecovered gas costs associated with the extended ACA recovery previously approved by the Commission due to Winter Storm Uri?

The appropriate rate to apply to SNGMO’s unrecovered gas costs is prime minus 2% (two percent).

The Purchased Gas Adjustment (“PGA”) in Missouri is based upon tariffs that generally concern the recovery of gas costs. (Sommerer surrebuttal, p. 2).¹

SNGMO’s PGA tariff sheet no. 52 states, in part,

For each month during the ACA period and for each month thereafter, interest at a simple rate equal to the **prime bank lending rate** (as published in The Wall Street Journal on the first business day of the following month), **minus two (2) percentage points**, shall be credited to customers for any over-recovery of **gas costs** or credited to the Company for any under-recovery of gas costs. [**Emphasis added**].

Staff notes that these particular costs in question are gas costs. The pre-tax rate of return that SNGMO is proposing includes a profit element and income taxes associated

¹ See also *Midwest Gas Users’ Ass’n v. PSC*, 976 S.W.2d 470, 479 (Mo. App., W.D. 1998) for the Court’s discussion on Missouri’s PGA being limited to the recovery of gas costs.

with these profits, which is not consistent with the controlling tariff language quoted above and the Missouri Courts' ruling on PGA costs. (Sommerer direct, rebuttal, surrebuttal).

WHEREFORE, Staff submits its *Staff Statement of Position* for the Commission's information and consideration.

Respectively submitted,

/s/ Jamie S. Myers

Jamie S. Myers
Deputy Counsel
Missouri Bar No. 68291
Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Mo 65102
(573) 526-6036 (Telephone)
(573) 751-9285 (Facsimile)
(Email) jamie.myers@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served electronically on all counsel of record on this 5th day of July, 2022.

/s/ Jamie S. Myers