

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

In the Matter of Summit Natural Gas of)	<u>Case No. GR-2019-0125</u>
Missouri, Inc., Changes to Company's)	Tariff No. YG-2019-0077
Purchased Gas Adjustment "PGA" Clause)	

**STAFF RECOMMENDATION REGARDING SUMMIT'S
2017-2018 ACTUAL COST ADJUSTMENT FILING**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and files its Actual Cost Adjustment (ACA) Recommendation in this matter.

1. Summit filed for its 2017-2018 ACA on November 2, 2018. This filing contains three proposed tariff sheets and Summit's ACA account balance calculations.

2. On November 15, 2018 the Commission approved the proposed tariff sheets on an interim and refundable basis and ordered Staff to file a recommendation regarding its ACA review by December 17, 2019.

3. The Procurement Analysis Department (Staff) reviewed Summit's filing and submits its recommendation in the accompanying Staff Recommendation Memorandum, marked Appendix A and incorporated herein by reference. Staff's analysis consisted of examining the prudence of Summit's gas purchasing decisions for this ACA period, conducting a reliability analysis, and reviewing Summit's hedging practices. Staff also compared Summit's billed revenues and its actual gas costs to determine whether there is an over-recovery or under-recovery of the ACA balances.

4. Staff proposes adjustments to the ending ACA balances in Summit's filing. Staff recommends the Commission issue an order establishing Summit's ending ACA balances as those in the "Staff Recommended Ending Balances" column of the table in the Memorandum's Recommendations section.

5. Staff lists other recommendations in the Recommendations section. Staff recommends the Commission order Summit to respond to these recommendations within forty-five (45) days.

WHEREFORE, Staff recommends the Commission issue an order establishing Summit's ending ACA account balances as of August 31, 2018 as shown in the "Staff Recommended Ending Balances" column of the table in the Staff Memorandum Recommendations section and directing Summit to respond within 45 days to Staff's other recommendations discussed in its Memorandum.

Respectfully submitted,

/s/ Karen E. Bretz

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all parties and/or counsel of record on this 17th day of December, 2019.

/s/ Karen E. Bretz