

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

Ozarks Medical Center d/b/a Ozarks Healthcare,)	
)	
Complainant,)	
)	
v.)	Case No. GC-2022-0158
)	
Summit Natural Gas of Missouri, Inc.,)	
)	
Respondent.)	

JOINT STIPULATION OF FACTS

Ozarks Medical Center d/b/a Ozarks Healthcare (“OMC”), Summit Natural Gas of Missouri, Inc. (“SNGMO”), and the Staff of the Public Service Commission (“Staff”), collectively the “Parties,” provide their Joint Stipulation of Facts as follows. The Office of the Public Counsel (“OPC”) has indicated that it does not oppose this Joint Stipulation of Facts.

Procedural History

1. OMC’s natural gas bill in March 2021 stated that it owed SNGMO \$463,336.84, with the majority of this amount identified as a “cashout debt.” OMC disputed this amount through the Public Service Commission’s informal complaint process. The informal process was concluded without resolution in or around September 2021.

2. OMC filed its formal Complaint on December 10, 2021. OMC requests the Public Service Commission (“Commission”) issue an Accounting Authority Order (“AAO”) to track and defer the contested cashout debt for recovery in a future rate case or order a payment plan.

3. On March 9, 2022, the Commission approved the Parties’ Revised Procedural Schedule and required the Parties to submit a Joint Stipulation of Facts.

The Parties

4. OMC is a not-for-profit general service healthcare facility in Howell County,

Missouri. OMC serves as a keystone provider for Howell County by providing in-patient operations, specialty clinics, and other medical services for south-central Missouri and northern Arkansas. OMC has over 1,300 employees, treats at least 364,000 patients annually, and admits approximately 5,400 patients a year for longer-term care. It is also the only medical facility providing in-patient care for at least one hundred miles from Howell County. Should OMC cease or limit in-patient care, at least 108,000 Missourians (Howell, Oregon, Shannon, Texas, Douglas, and Ozark Counties) and 53,000 Arkansans (Fulton and Baxter Counties) will be impacted. OMC uses natural gas for general heating and to sanitize medical equipment.

5. SNGMO conducts business as a “gas corporation” and a “public utility” as those terms are defined at §386.020, RSMo, and provides natural gas service in the Missouri counties of Benton, Caldwell, Camden, Daviess, Douglas, Greene, Harrison, Howell, Laclede, Miller, Morgan, Pettis, Stone, Taney, Texas, Webster, and Wright, subject to the jurisdiction of the Commission as provided by law.

6. OMC receives natural gas from SNGMO’s natural gas distribution system as a transportation natural gas customer per SNGMO’s Tariff.

SNGMO’s Natural Gas Service

7. SNGMO’s currently effective tariff book became effective December 14, 2014 through the completion of its rate case, Case No.GR-2014-0086, and filed with the Commission under Tracking No. YG-2015-0207. SNGMO’s 2020 operating revenues were \$29,079,204 according to the Commission’s 2021 Annual Report. With the exception of purchase gas adjustment clause changes, SNGMO’s rates have remained unchanged since its last rate case. SNGMO has notified the Commission of intended rate case filings in September 2019 and January

2020. However, in both instances the Commission closed the files after SNGMO did not file tariff sheets associated with a general rate case within 180 days of the notices.

8. SNGMO's rates account for federal income tax liabilities that existed before the Tax Cuts and Jobs Act of 2017 ("TCJA"). SNGMO's customers will eventually realize the savings from the TCJA in SNGMO's next rate case. In the meantime, SNGMO is tracking and deferring the savings in a Commission-ordered AAO as ordered in Case No. GR-2018-0230. Consistent with the referenced order, SNGMO began to defer \$1,156,535 on an annual basis starting January 1, 2019.

9. OMC is authorized to receive natural gas service as a transportation customer under SNGMO's tariff.

10. SNGMO's tariff addresses a transportation natural gas customer's imbalance between its use of natural gas and the actual delivered amount through its "cashout" provision. If a transportation customer uses more gas than is delivered to SNGMO's system, then the cashout provision requires a transportation customer to pay for the gas that SNGMO must supply. This "imbalance" is then reflected in the transportation customer's monthly bill.

Winter Storm Uri

11. Winter Storm Uri blanketed the central-continental United States from Texas to the Dakotas from February 3 to 17, 2021.

12. The National Weather Service reported that Springfield, Missouri experienced prolonged temperatures from -15 to 19 degrees Fahrenheit. Local snow depth on February 17, 2021 was seven inches. The Southwest Power Pool transmission network serving Missouri entered Energy Emergency Alert status 2 and 3 for the first time in network history.

13. Demand for natural gas exploded throughout SNGMO’s service territory in response to Winter Storm Uri’s extreme cold. Natural gas prices for local distribution companies consequentially increased by 17 to 247 times the first-of-the-month prices during the storm period. Staff’s May 3, 2021, Report in Case No. GO-2021-0367 on the impacts of Winter Storm Uri describes the resulting natural gas price increases as “without precedent for interstate pipelines serving Missouri.” SNGMO reported to the Commission at a March 2021 workshop that its natural gas costs for February 2021 amounted to over \$34.3 million while costs for all of 2020 were approximately \$6.9 million.

14. SNGMO asked several of its transportation customers to curtail their use in response to Winter Storm Uri and its associated demand for natural gas. ** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]**

15. OMC curtailed its natural gas use during Winter Storm Uri in response to SNGMO’s request. However, once OMC stopped full curtailment measures once its backup propane supplies failed in the extreme cold. The propane reserves failed in the extreme cold, and OMC resumed using natural gas provided by SNGMO. OMC used 3,693 Dth of natural gas during February 2021 and delivered 2,413 Dth to SNGMO’s system.

SNGMO’s Demanded Payment and Dispute Thereof

16. SNGMO’s bill to OMC for the period of February 2021 was in the amount of \$463,366.84. With late payment charges included, the amount in controversy as of September 1, 2021, was \$478,882.70. This is over twenty times OMC’s usual monthly natural gas bills, even with cashout debt.

17. On September 1, 2021, SNGMO notified OMC that its natural gas service would be disconnected if it failed to pay the bill in full. SNGMO later agreed to not disconnect OMC, but the parties have been unable to resolve their dispute as to the outstanding bill.

18. The amount in controversy was \$493,550.75 as of January 12, 2022.

Wherefore, the Parties submit their Joint Stipulation of Facts.

Respectively submitted,

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**ATTORNEY FOR STAFF OF
THE PUBLIC SERVICE
COMMISSION**

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 16th day of March, 2022.

/s/ Caleb Hall _____