

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

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

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 November 2, 2018, 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 contain a proposed effective date of November 19, 2018.

2. The Commission, in its *Order Directing Staff Recommendation*, ordered Staff to file its recommendation regarding SNGMO's tariff filing no later than November 9, 2018.

3. The changes applicable to the Company's Gallatin Division will decrease the firm sales customers' Total PGA from \$0.4507 per Ccf to \$0.4280 per Ccf. The proposed change represents a \$0.0227 per Ccf decrease.

4. The changes applicable to the Company's Warsaw and Lake of the Ozarks Divisions will decrease the firm sales customers' Total PGA from \$0.4336 per Ccf to \$0.3903 per Ccf. The proposed change represents a \$0.0433 per Ccf decrease.

5. The changes applicable to the Company's Rogersville and Branson Divisions will decrease the firm sales customers' Total PGA from \$0.5122 per Ccf to \$0.4599 per Ccf. The proposed change represents a \$0.0523 per Ccf decrease.

6. The Company's filing also reflects adjustments to the Company's ACA factors. Staff's Procurement Analysis Department (PAD) 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 PAD 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, 2019.

7. Case No. GR-2019-0125, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2017-2018 ACA filing. Case No. GR-2018-0106 was established to track the Company's PGA factors to be reviewed in its 2016-2017 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-2019-0125 and GR-2018-0106. 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 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-2019-0125 and GR-2018-0106.

8. Staff also recommends the Commission order PAD Staff to file the results of its review of the ACA factors represented in this filing no later than December 17, 2019.

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 on an interim basis, subject to refund pending final Commission decisions in Case Nos. GR-2019-0125 and GR-2018-0106, and that the Commission order PAD Staff to file the results of its ACA review in this docket no later than December 17, 2019:

P.S.C. MO No. 3

4th Revised Sheet No. 56, Cancelling 3rd Revised Sheet No. 56
4th Revised Sheet No. 57, Cancelling 3rd Revised Sheet No. 57
4th Revised Sheet No. 58, Cancelling 3rd Revised Sheet No. 58

Respectfully submitted,

/s/ Jeffrey A. Keevil

Jeffrey A. Keevil

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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 9th day of November, 2018.

/s/ Jeffrey A. Keevil

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2019-0125, Tariff No. YG-2019-0077
Summit Natural Gas of Missouri, Inc.

FROM: Michael J. Ensrud, Procurement Analysis Department

/s/ David M. Sommerer 11/09/2018
Commission Staff Division/Date

/s/ Jeffrey A. Keevil 11/09/2018
Staff Counsel's Office/Date

SUBJECT: Staff Recommendation for Summit Natural Gas Scheduled
Winter PGA Filing Effective Date November 19, 2018

DATE: November 9, 2018

On November 2, 2018, Summit Natural Gas of Missouri, Inc. (“SNGMO” or “Company”), filed three tariff sheets bearing a proposed effective date of November 19, 2018. 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 November 2, 2018, the Commission issued an ORDER DIRECTING STAFF RECOMMENDATION which ordered Staff to file a recommendation regarding the tariff sheets no later than November 9, 2018.

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 decrease the firm sales customers’ Total PGA from \$0.4507/Ccf to \$0.4280/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 \$0.4336/Ccf to \$0.3903/Ccf.²

¹ This change constitutes a \$0.0227 decrease per Ccf.

² This change constitutes a \$0.0433 decrease per Ccf.

OFFICIAL CASE FILE MEMORANDUM

MO PSC CASE NO. GR-2019-0125, Tariff No. YG-2019-0077

November 9, 2018

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The changes in the PGA factors applicable to the Company's Rogersville and Branson Divisions will decrease the firm sales customers' Total PGA from \$0.5122/Ccf to \$0.4599/Ccf.³

Case No. GR-2019-0125, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2017-2018 ACA filing. Case No. GR-2018-0106 was established to track the Company's PGA factors to be reviewed in its 2016-2017 ACA filing. Any rate change implemented pursuant to this tariff filing should be on an interim basis, subject to refund status pending final Commission decisions in ACA Case Nos. GR-2019-0125 and GR-2018-0106.

Due to the limited time available to review the documentation supporting the ACA factors submitted in this filing, the Procurement Analysis Department requests permission to submit its results and recommendations regarding the information included in this ACA filing to the Commission on or before December 17, 2019.

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 November 2, be approved on an interim basis, subject to refund pending final Commission decisions in ACA Case Nos. GR-2019-0125 and GR-2018-0106:

Filed

P.S.C. MO No. 3, 4th Revised Sheet No. 56
P.S.C. MO No. 3, 4th Revised Sheet No. 57
P.S.C. MO No. 3, 4th Revised Sheet No. 58

Canceling

P.S.C. MO No. 3, 3rd Revised Sheet No. 56
P.S.C. MO No. 3, 3rd Revised Sheet No. 57
P.S.C. MO No. 3, 3rd Revised Sheet No. 58

³ This change constitutes a \$0.0523 decrease per Ccf.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Summit Natural Gas of)
Missouri, Inc., Changes to Company's) Case No. GR-2019-0125
Purchase Gas Adjustment "PGA" Clause)

AFFIDAVIT OF MICHAEL J. ENSRUD

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

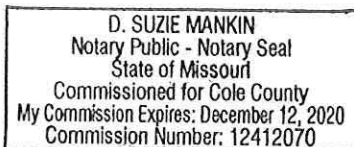
COMES NOW MICHAEL J. ENSRUD and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in Memorandum form; and that the same is true and correct according to his best knowledge and belief.


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 7th day of November 2018.




Notary Public