

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

In the Matter of the Propriety of the)
Rate Schedules for Natural Gas Service of)
Summit Natural Gas of Missouri, Inc.)

File No. GR-2018-0230

**STATEMENT OF POSITION OF
SUMMIT NATURAL GAS OF MISSOURI, INC.**

COMES NOW Summit Natural Gas of Missouri, Inc., (“Summit”) and states the following to the Missouri Public Service Commission (“Commission”) concerning the issues contained in the *List of Issues, List and Order of Witnesses, Order of Opening Statements, and Order of Cross-Examination*, filed on May 3, 2019:

ISSUES

- A. Should the Commission authorize an Accounting Authority Order (“AAO”) that requires Summit to defer as a regulatory liability all amounts associated with the reduced level of federal corporate income tax expense pertaining to its natural gas rates starting January 1, 2018?**

SUMMIT’S POSITION:

No. The change in the federal corporate income tax rate under the Tax Cuts and Jobs Act of 2017 (“TCJA”) is not an event qualifying for special treatment under the FERC Uniform System of Accounts (“FERC USOA”) applicable to natural gas utilities as adopted by the Commission. *See*, 4 CSR 240-40.040(1). Specifically, an increase or decrease in tax expense is not an “extraordinary item” as that term is defined in General Instruction No. 7 of the FERC USOA. The Commission has previously determined in its Case Nos. ER-2014-0370 and WU-2017-0351 that there is nothing unusual or extraordinary about paying taxes as they are a normal, recurring expense of doing business. Additionally, requiring SNGMO to recognize a regulatory liability associated with the TCJA has practical adverse consequences for the company as it

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent via electronic mail, this 6th day of May, 2019, to the following:

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