

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its Office in Jefferson City on the 19<sup>th</sup> day of June, 2019.

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**

**ORDER APPROVING STIPULATION AND AGREEMENT**

Issue Date: June 19, 2019

Effective Date: July 19, 2019

The Commission opened this file on February 21, 2018 to consider the effect of the Tax Cuts and Jobs Act of 2017 (“TCJA”) on the rates charged by Summit Natural Gas of Missouri, Inc. (“Summit”) for natural gas service. The Commission issued notice, and received intervention requests from Missouri School Board’s Association and Renew Missouri Advocates, d/b/a Renew Missouri. The Commission granted those requests. The intervenors later moved the Commission to dismiss them as parties, and the Commission granted those requests.

On May 14, 2019, Summit, the Staff of the Commission and the Office of the Public Counsel filed a stipulation and agreement (“Stipulation”). Those parties agree that deferral of the annual financial impact of the TCJA reduction in income tax rates of \$1,156,535, shall start January 1, 2019 and continue until the next Summit general rate case. They further agree that the protected excess ADIT regulatory liability of \$9,482,259 shall be amortized beginning January 1, 2019, in amounts consistent with Summit’s calculation utilizing the average rate assumption method (“ARAM”). The unprotected excess ADIT

regulatory asset balance of \$4,450,378 shall be amortized beginning January 1, 2019 in the same amounts as the amortization of protected excess ADIT. The financial impact of amortizing both the protected and unprotected excess ADIT balances in this manner is intended to be earnings-neutral to Summit until the matter is addressed in the next Summit general rate case.

To gather more information, the Commission scheduled an on-the-record proceeding for June 13, 2019. After reviewing the stipulation and agreement, as well as the information presented at the on-the-record presentation, the Commission finds and concludes that the stipulation and agreement is a reasonable resolution of the issues it addresses and should be approved. Because the stipulation and agreement is unopposed, the Commission will make this order effective in ten days.

**THE COMMISSION ORDERS THAT:**

1. The Stipulation and Agreement filed on May 14, 2019, is approved. The signatory parties are ordered to comply with its terms. A copy of the Stipulation and Agreement is attached to this order and incorporated by reference.

2. Pursuant to the Stipulation and Agreement, the financial impact of amortizing both the protected and unprotected excess ADIT balances in this manner shall be earnings-neutral to Summit Natural Gas of Missouri, Inc., until the matter is addressed in its next general rate case. In the next general rate case, no party or the Commission is bound to the stipulated agreement or evidence presented regarding protected and unprotected excess ADIT balances.

3. This order shall be effective on July 19, 2019.

4. This file shall be closed on July 20, 2019.



**BY THE COMMISSION**

*Morris L. Woodruff*

Morris L. Woodruff  
Secretary

Silvey, Chm., Kenney, Hall, Rupp, and  
Coleman, CC., concur.

Pridgin, Deputy Chief Regulatory Law Judge



2. The Signatories stipulate and agree as follows:

A. Deferral of the annual financial impact of the TCJA reduction in income tax rates of \$1,156,535, shall start January 1, 2019 and continue until the next Summit general rate case; and,

B. The protected excess ADIT regulatory liability of \$9,482,259 shall be amortized beginning January 1, 2019, in amounts consistent with Summit's calculation utilizing the average rate assumption method ("ARAM"). The unprotected excess ADIT regulatory asset balance of \$4,450,378 shall be amortized beginning January 1, 2019 in the same amounts as the amortization of protected excess ADIT. The financial impact of amortizing both the protected and unprotected excess ADIT balances in this manner is intended to be earnings-neutral to Summit until the matter is addressed in the next Summit general rate case.

3. This Tax Stipulation has resulted from negotiations among the parties, and the terms herein are interdependent and non-severable. If the Commission does not approve this Tax Stipulation unconditionally and without modification, or if the Commission approves this Tax Stipulation with modifications or conditions to which a Signatory objects, then this Tax Stipulation shall be void and none of the Signatories shall be bound by any of the agreements or provisions hereof.

4. This Tax Stipulation is based on the unique circumstances presented by Summit to the Signatories. Except to the extent necessary to implement the terms of this Tax Stipulation, this agreement shall not be construed to have precedential impact in any other Commission proceeding.

5. The non-utility Signatories enter into this Tax Stipulation in reliance upon information provided to them by Summit, and this Tax Stipulation is explicitly predicated upon the representations made by Summit.

6. In the event the Commission accepts the specific terms of this Tax Stipulation without condition or modification, the Signatories waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §386.500, and their respective rights to judicial review pursuant to §386.510. These waivers apply only to a Commission order approving this Tax Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. These waivers do not apply to any issues not explicitly addressed by this Tax Stipulation. The Signatories agree that any and all discussions, suggestions, or memoranda reviewed or discussed, related to this Tax Stipulation shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.

7. When approved by the Commission, this Tax Stipulation shall constitute a binding agreement among the Signatories. This Tax Stipulation contains the entire agreement of the Signatories concerning the issues addressed herein.

8. This Tax Stipulation does not constitute a contract with the Commission. Acceptance of this Tax Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigatory powers or other statutory powers which the Commission presently has. Thus, nothing in this Tax Stipulation is intended to impinge or restrict in any manner the

exercise by the Commission of any statutory right, including the right to access information.

**WHEREFORE**, the Signatories respectfully request that the Commission issue an order approving the specific terms and conditions of this Stipulation and Agreement as a full and complete resolution of Case No. GR-2018-0230.

Respectfully submitted,

**/s/Lera Shemwell**

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Office of the Public Counsel

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Attorneys for  
Summit Natural Gas of Missouri,  
Inc.

**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 14<sup>th</sup> day of May, 2019.

**/s/ Robert S. Berlin**



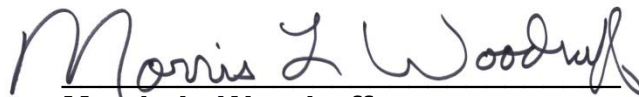
**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

**WITNESS** my hand and seal of the Public Service Commission,  
at Jefferson City, Missouri, this 19<sup>th</sup> day of June 2019.



  
**Morris L. Woodruff**  
**Secretary**

**MISSOURI PUBLIC SERVICE COMMISSION**

**June 19, 2019**

**File/Case No. GR-2018-0230**

**Missouri Public Service  
Commission**

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**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

*Sincerely,*



**Morris L. Woodruff  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.