

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

In the Matter of the Application of                     )  
Summit Natural Gas of Missouri, Inc.,                 )  
for a Certificate of Convenience and                    )  
Necessity Authorizing It To Construct,               )  
Install, Own, Operate, Control,                        )  
Manage and Maintain a Distribution                    )  
System to Provide Gas Service in                       )  
Benton, Morgan, Camden and Miller                    )  
Counties in Missouri, as a Certificated                 )  
Area.   )

**Case No. GA-2012-0285**

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its Recommendation states:

1. On March 2, 2012, Summit Natural Gas of Missouri, Inc. ("SNGMO" or "Company") filed an application requesting from the Commission a certificate of convenience and necessity ("CCN") to construct and maintain a gas system to provide natural gas distribution service in Benton, Morgan, Camden and Miller counties. The proposed service area includes Camdenton, Osage Beach, Hurricane Deck, Linn Creek, Sunrise Beach, and the Village of Four Seasons (all in Camden county), Gravois Mills and Laurie (both in Morgan county), Lake Ozark (in Miller county). The system would also provide service in certain unincorporated portions of Benton and Morgan counties and portions of unincorporated Camden County.

2. On March 6, 2012, the Commission issued its *Order Directing Notice And Setting Deadline For Intervention Requests*. No parties have sought intervention.

3. On April 12, 2012, the Commission issued its *Order Directing Staff To File A Status Report* by April 20, 2012. Staff filed its report stating it would file its recommendation by May 25, 2012. On May 23, 2012, the Staff filed a Motion For Extension of Time to file its recommendation by June 1, 2012. The Commission granted Staff's motion May 24, 2012.

4. Section 393.170 RSMo requires the Commission to address the question of approving the service territory of public utilities and whether the provision of that service is necessary or convenient. Commission Rule 4 CSR 240-3.205(1)(E) requires applicants to state "The facts showing that the granting of the application is required by the public convenience and necessity." The term "necessity" means the additional service would be an improvement justifying its costs.<sup>1</sup> Furthermore, the Commission's allocation of service territory must be done on the basis of public interest.<sup>2</sup>

5. Members of the Staff's Tariffs/Rate Design, Procurement Analysis, Auditing, and Engineering and Management Services Units have reviewed SNGMO's application as supplemented by the Company<sup>3</sup> (hereafter referred to as the "Application") and all available information. The Staff submits its verified Recommendation in Staff's Memorandum attached hereto as Appendix A, with supporting schedules marked as Appendices B "Staff Accounting Schedules" and C "Depreciation Rates".

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<sup>1</sup> *State ex rel. Intercon Gas, Inc. v. Public Service Com'n of Missouri*, (1993), 848 S.W.2d 593.

<sup>2</sup> *State ex rel. Consumers Public Service Co. v. Public Service Commission*, (1944), 180 S.W.2d 40, 352 Mo. 905.

<sup>3</sup> On April 17, 2012, SNGMO filed its *Supplement To Application* wherein it added a section to the legal description of the requested territory. On May 21, 2012, SNGMO filed its *Motion For Leave To Amend Application* which changed its proposed rates for the requested service area. On May 30, 2012, SNGMO filed its *Corrected Motion For Leave To Amend Application* wherein the Company corrected the decimal point placement for the "CS Class Commodity Charge" and the "LVS Class Commodity Charge".

6. For reasons more fully explained in Staff's Memorandum, the Staff recommends the Commission approve MGU's Application, subject to the thirteen (13) conditions listed on pages 3 and 4 of its Memorandum.

**WHEREFORE**, for the above stated reasons, Staff prays the Commission grant Summit Natural Gas of Missouri, Inc. a certificate of convenience and necessity for the service areas described in the Company's April 17, 2012 Supplement to Application, subject to the thirteen (13) conditions listed on pages 3 and 4 of Staff's Memorandum, including the depreciation rates provided in Appendix C.

Respectfully submitted,

**/s/ Robert S. Berlin**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 1st day of June, 2012.

**/s/ Robert S. Berlin**

## MEMORANDUM

TO: Missouri Public Service Commission Official Case File,  
Case No. GA-2012-0285, Summit Natural Gas of Missouri, Inc.

FROM: Kim Cox, Energy Unit - Tariffs/Rate Design  
Derick Miles P.E., Procurement Analysis Unit  
Paul Harrison, Auditing Unit  
David Williams, Engineering and Management Services Unit

/s/ Thomas M. Imhoff 06/01/12  
Energy Unit/Date

/s/ Robert S. Berlin 06/01/12  
General Counsel's Office/Date

SUBJECT: Staff Recommendation On Summit Natural Gas of Missouri, Inc.'s Application for a  
Certificate of Convenience and Necessity

DATE: June 1, 2012

On March 2, 2012, Summit Natural Gas of Missouri, Inc. (SNGMO or Company) filed an APPLICATION (Application) with the Missouri Public Service Commission (Commission). The Application requests that the Commission grant SNGMO a certificate of convenience and necessity (CCN) authorizing it to construct, install, own, operate, control, manage and maintain a distribution system to provide gas service in Benton, Morgan, Camden and Miller Counties in Missouri.

Missouri Gas Utility Inc. (MGU) recently merged with Southern Missouri Natural Gas and formed SNGMO. (Case No. GM-2011-0354.) In 2009, MGU applied for a CCN to serve this same general area and, on November 30, 2009, the Commission approved MGU's application. (File No. GA-2010-0012). The project was delayed due to increased costs for material and labor. MGU did not start construction under its CCN so, in accord with statutory requirements, SNGMO reapplied for a certificate to provide natural gas service in this area.

On March 6, 2012, the Commission issued an ORDER DIRECTING NOTICE AND SETTING DEADLINE FOR INTERVENTION REQUEST (Order). The order stated that any motion to intervene was due no later than April 5, 2012. No parties have intervened.

On April 12, 2012 the Commission issued an ORDER DIRECTING STAFF TO FILE A STATUS REPORT by April 20, 2012. On April 20, 2012, Staff filed a STATUS REPORT, stating that Staff intended to file a Recommendation by May 25, 2012. On May 23, 2012, Staff filed a MOTION FOR EXTENSION OF TIME for one week to file its Recommendation.

On April 17, 2012, SNGMO filed a SUPPLEMENT TO APPLICATION, wherein it added a section to the legal description of the requested territory. On May 21, 2012, SNGMO filed a MOTION FOR LEAVE TO AMEND APPLICATION. In that filing, SNGMO changed its proposed rates for this area

by eliminating the \$0.400 per Ccf surcharge, which was intended to recover the cost of construction and, instead, added this amount into its base rates. On May 30, 2012, SNGMO filed CORRECTED MOTION FOR LEAVE TO AMEND APPLICATION. In that filing, SNGMO corrected the decimal point placement for the “CS Class Commodity Charge” and the “LVS Class Commodity Charge.”

SNGMO is working on obtaining the necessary franchises from cities in the proposed certificated service area and will supplement its filing at a later date, as permitted by Commission rules. 4 CSR 240-3.205(2). SNGMO will not require any other permits from municipalities, counties or other authorities other than the usual and customary state highway, railroad and county road permits, which will be obtained prior to construction. The 6” steel main line will begin on the existing SNGMO line in Section 20, Township 42 North, Range 22 West and end at a point along State Highway 54 approximately 1.5 miles east of Camdenton. The total length of the Line will be approximately 47.24 miles.

SNGMO filed its Feasibility Study with its Application. The total estimated cost of the project is \$92,842,943. SNGMO also provided a projected average usage and its monthly customer and commodity charges. SNGMO proposes to charge the following rates in this new rate area:

GS Class Customer Charge	\$15.00/month
GS Class Commodity Charge	\$0.950/CCF
CS Class Customer Charge	\$30.00/month
CS Class Commodity Charge	\$1.00/CCF
LVS Class Customer Charge	\$100.00/month
LVS Class Commodity Charge	\$1.00/CCF

The Auditing Staff reviewed all of the cost of service components comprising the revenue requirement for SNGMO’s proposed service territory. SNGMO’s feasibility study presented a five-year projection of revenue and the cost of providing utility services for the proposed service area. The Auditing Staff incorporated the projections included in SNGMO’s feasibility study in determining a cost of service for the end of the five-year period. However, Staff also incorporated other costs which were not considered in SNGMO’s feasibility study such as, the Missouri Public Service Commission Assessment fees, property taxes, payroll taxes, infrastructure insurance and bad debt costs. In addition to these expenses, Staff imputed a 50% operation and maintenance (O & M) expense ratio for the Lake of the Ozark into its fifth year projection cost of service. In the feasibility study, SNGMO used an O&M ratio of 20% in the fifth year. The Auditing Staff believes a 20% O&M ratio is not a representative ratio at the end of the five-year period. Staff also used the Missouri Gas Utility (MGU) GR-2008-0060 weighted cost of capital in determining the revenue requirement for this case. Based on SNGMO’s proposed feasibility study for its requested service territory, the Company is projected to be under-earning by \$1,019,618 at the end of its first five-years of service. However, when Staff incorporates the other costs discussed above that were not included in the Company’s Feasibility Study, the Company is under-earning by approximately \$1.38 million.

Staff recommends that when SNGMO is granted its CCN, it implements a detailed time coding for SNGMO employees in order to provide the ability to assign time to capital projects and to all expense items, corporate allocations and sales and promotion efforts and can be reflected in its first rate case. SNGMO shall fully abide by the provisions of the Uniform System of Accounts (USOA) – Gas Corporation (4 CSR 240-40.040), including the Gas Plant Instructions included therein.

It is possible that SNGMO's actual financial results may be significantly different from the estimated results calculated by the Auditing Staff. In the Auditing Staff's opinion, the Feasibility Study filed by SNGMO to provide natural gas in the requested service area shows SNGMO's proposal to be risky economically, but possible. Staff is also of the opinion that the proposal itself contains risks and that the Feasibility Study alone is not enough to make the project feasible. In Staff's opinion, the proven ability of SNGMO to attract and secure acceptable financing is the better indicator for success of the project. The Auditing Staff has submitted additional data requests to SNGMO concerning the financing records of this project and its ability to secure debt.

The Procurement Analysis Staff reviewed the proposed expansion for any impacts, positive or negative, on the Company's existing customers regarding the adequacy of transportation capacity for peak day planning. SNGMO provided information to Staff that the Company can obtain the necessary additional contracted capacity for its Southern Service Area, which is sufficient to serve this additional area. The prudence of the underlying interstate pipeline contracts will be reviewed as part of the related Actual Cost Adjustment review for the time period related to these costs.

Based on the results of Staff's analysis of all available information, Staff recommends the Commission order that SNGMO maintain separate records for the proposed certificated area and, as in previous Commission orders granting its certificated areas, SNGMO shall perform separate class cost of service studies and revenue requirements when SNGMO files its next rate case.

The Staff has reviewed this Application and, for the following reasons, is of the opinion that granting this Application would be in the public interest subject to the following conditions:

1. SNGMO has the operational capability to provide gas service in its requested service area;
2. The requested CCN area for gas service would not jeopardize natural gas service to the Company's current existing customers;
3. SNGMO's shareholders shall be responsible for the success of this project, with no liability or responsibility put on its customers;
4. SNGMO shall keep separate books and records for the proposed service area;
5. SNGMO shall file separate class cost of service studies and revenue requirements for this new service area at the time it files its next rate case that includes this service territory in its rate case request;
6. The Lake of the Ozarks system must support the rate structure on a stand-alone-basis;
7. SNGMO shall use the rates identified in its amended application for its Lake of the Ozarks system;
8. The Lake of the Ozark's systems' Allowance for Funds Used during Construction (AFUDC) rate shall use 10 percent as the common equity in its calculation ;
9. SNGMO shall not capitalize any portion of its sales advertising and promotion payroll for this Company;
10. SNGMO shall use the same operation and maintenance (O & M) expense ratio for payroll that they agreed to in the MGU rate case, Case Number GR-2008-0060 Unanimous Stipulation and Agreement for Lake of the Ozark's first rate case, unless the Company can demonstrate through timesheets and time reporting that some other ratio is more appropriate;
11. SNGMO shall use the depreciation rates outlined on Appendix C;
12. SNGMO shall not file a rate increase request for this service territory until after 42 months of the effective date of the commission order granting the CCN in this proceeding; and

13. SNGMO shall obtain adequate capacity on the pipeline to reliably serve all customers in this area, including capacity necessary to serve any future growth.

Therefore, subject to the above conditions, Staff recommends that SNGMO be granted a CCN to serve the requested areas in Benton, Morgan, Camden and Miller Counties in the State of Missouri. Staff also recommends the Company file revised tariff sheets reflecting this proposed CCN in this case within thirty (30) days of the Commission's Order approving this Application.

The Staff has verified the Company's annual report is current and no assessments are delinquent. Attached hereto and marked as Appendix B is the Auditing Staff's cost of service based upon SNGMO's Feasibility Study and Appendix C is the Engineering and Management Services Unit depreciation rates.

**Exhibit No.:**  
**Issue:** Accounting Schedules  
**Witness:** MO PSC Auditors  
**Sponsoring Party:** MO PSC Staff  
**Case No:** GA-2012-0285  
**Date Prepared:** May 25, 2012



**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**

**UTILITY SERVICES**

**Staff Exhibit Modeling System Run**

**STAFF ACCOUNTING SCHEDULES**

**SUMMIT NATURAL GAS OF MISSOURI, INC.  
5th Year of Feasibility Study CY 2016**

**CASE NO. GA-2012-0285**

**Jefferson City, MO**

**May 2012**



Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Revenue Requirement

Line Number	<u>A</u> Description	<u>B</u>	<u>C</u>	<u>D</u>
		6.76% Return	6.87% Return	6.97% Return
1	Net Orig Cost Rate Base	\$77,298,674	\$77,298,674	\$77,298,674
2	Rate of Return	6.76%	6.87%	6.97%
3	Net Operating Income Requirement	\$5,226,163	\$5,306,554	\$5,387,718
4	Net Income Available	\$4,672,475	\$4,672,475	\$4,672,475
5	Additional Net Income Required	\$553,688	\$634,079	\$715,243
6	Income Tax Requirement			
7	Required Current Income Tax	\$341,463	\$389,617	\$438,233
8	Current Income Tax Available	\$4,078	\$4,078	\$4,078
9	Additional Current Tax Required	\$337,385	\$385,539	\$434,155
10	Revenue Requirement	\$891,073	\$1,019,618	\$1,149,398
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	Gross Revenue Requirement	\$891,073	\$1,019,618	\$1,149,398

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
**RATE BASE SCHEDULE**

<b>Line Number</b>	<b><u>A</u> Rate Base Description</b>	<b><u>B</u> Percentage Rate</b>	<b><u>C</u> Dollar Amount</b>
1	Plant In Service		\$91,730,278
2	Less Accumulated Depreciation Reserve		\$8,364,949
3	Net Plant In Service		\$83,365,329
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Investment in Stored Gas		\$0
7	Materials & Supplies		\$0
8	Net Cost of Removal Reg. Asset		\$0
9	TOTAL ADD TO NET PLANT IN SERVICE		\$0
10	SUBTRACT FROM NET PLANT		
11	Federal Tax Offset	0.0000%	\$0
12	State Tax Offset	0.0000%	\$0
13	City Tax Offset	0.0000%	\$0
14	Interest Expense Offset	0.0000%	\$0
15	Customer Advances for Construction		\$0
16	Accumulated Deferred Income Taxes		\$6,066,655
17	TOTAL SUBTRACT FROM NET PLANT		\$6,066,655
18	Total Rate Base		\$77,298,674

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Plant In Service

A		B	C	D	E	F	G	H	I
Line Number	Account # (Optional)	Plant Account Description	Total Plant	Adjust. Number	Adjustments	As Adjusted Plant	Jurisdictional Allocations	Jurisdictional Adjustments	MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	302.000	Franchise and Consents	\$0	P-2	\$0	\$0	100.0000%	\$0	\$0
3	303.000	Work Force Automation	\$0	P-3	\$0	\$0	100.0000%	\$0	\$0
4	303.000	Corrosion Control Management System	\$0	P-4	\$0	\$0	100.0000%	\$0	\$0
5	303.000	Land & Survey / Engr. Consulting	\$0	P-5	\$0	\$0	100.0000%	\$0	\$0
6	303.000	Premise Data Systems	\$0	P-6	\$0	\$0	100.0000%	\$0	\$0
7	303.000	AMR Project - Programming	\$0	P-7	\$0	\$0	100.0000%	\$0	\$0
8	303.000	Geographic Information System	\$0	P-8	\$0	\$0	100.0000%	\$0	\$0
9	303.000	Customer Service System	\$0	P-9	\$0	\$0	100.0000%	\$0	\$0
10	303.000	Mainframe Software	\$0	P-10	\$0	\$0	100.0000%	\$0	\$0
11	303.000	Website	\$0	P-11	\$0	\$0	100.0000%	\$0	\$0
12	303.000	Stoner Low Pressure Model	\$0	P-12	\$0	\$0	100.0000%	\$0	\$0
13	303.000	TCS System	\$0	P-13	\$0	\$0	100.0000%	\$0	\$0
14	303.000	GEO Tax Software1	\$0	P-14	\$0	\$0	100.0000%	\$0	\$0
15	303.000	GEO Tax Software	\$0	P-15	\$0	\$0	100.0000%	\$0	\$0
16	303.000	Oracle Software	\$0	P-16	\$0	\$0	100.0000%	\$0	\$0
17	303.000	Oracle Software	\$0	P-17	\$0	\$0	100.0000%	\$0	\$0
18	303.000	Power Plant Software	\$0	P-18	\$0	\$0	100.0000%	\$0	\$0
19	303.000	Virtual Hold Call Center	\$0	P-19	\$0	\$0	100.0000%	\$0	\$0
20	303.000	Witness Software	\$0	P-20	\$0	\$0	100.0000%	\$0	\$0
21	303.000	Infinium Software	\$0	P-21	\$0	\$0	100.0000%	\$0	\$0
22		TOTAL PLANT INTANGIBLE	\$0		\$0	\$0		\$0	\$0
23		DISTRIBUTION PLANT							
24	367.000	ROW, Materials & Steel Pipeline 6" (Transmission)	\$34,217,778	P-24	\$0	\$34,217,778	100.0000%	\$0	\$34,217,778
25	368.000	Pressure Regulators & Compressor Stations (Transmission)	\$21,098	P-25	\$0	\$21,098	100.0000%	\$0	\$21,098
26	374.000	Land - Dist Plant	\$0	P-26	\$0	\$0	100.0000%	\$0	\$0
27	376.000	Distribution System	\$57,491,402	P-27	\$0	\$57,491,402	100.0000%	\$0	\$57,491,402
28	381.000	Meters	\$0	P-28	\$0	\$0	100.0000%	\$0	\$0
29	382.000	Meters Installation - Dist Plant	\$0	P-29	\$0	\$0	100.0000%	\$0	\$0
30	384.000	House Regulators - Dist Plant	\$0	P-30	\$0	\$0	100.0000%	\$0	\$0
31	385.000	Electronic Gas Measuring	\$0	P-31	\$0	\$0	100.0000%	\$0	\$0
32	386.000	Other	\$0	P-32	\$0	\$0	100.0000%	\$0	\$0
33		TOTAL DISTRIBUTION PLANT	\$91,730,278		\$0	\$91,730,278		\$0	\$91,730,278
34		PRODUCTION PLANT							
35		TOTAL PRODUCTION PLANT	\$0		\$0	\$0		\$0	\$0
36		GENERAL PLANT							
37	389.000	Land - Gen Plant	\$0	P-37	\$0	\$0	100.0000%	\$0	\$0
38	390.100	Structures - Gen Plant	\$0	P-38	\$0	\$0	100.0000%	\$0	\$0
39	390.200	Leasehold Improvements - Gen Plant	\$0	P-39	\$0	\$0	100.0000%	\$0	\$0
40	391.000	Office Furniture & Equipment	\$0	P-40	\$0	\$0	100.0000%	\$0	\$0
41	391.100	Computers	\$0	P-41	\$0	\$0	100.0000%	\$0	\$0
42	392.000	Transportation Equipment	\$0	P-42	\$0	\$0	100.0000%	\$0	\$0
43	393.000	Stores Equipment	\$0	P-43	\$0	\$0	100.0000%	\$0	\$0
44	394.000	Tools, Shop, & Garage Equipment	\$0	P-44	\$0	\$0	100.0000%	\$0	\$0
45	395.000	Laboratory Equipment	\$0	P-45	\$0	\$0	100.0000%	\$0	\$0
46	396.000	Communication Equipment - AMR	\$0	P-46	\$0	\$0	100.0000%	\$0	\$0
47	397.100	Power Operated Equipment	\$0	P-47	\$0	\$0	100.0000%	\$0	\$0
48	397.000	Communications Equipment	\$0	P-48	\$0	\$0	100.0000%	\$0	\$0
49	398.000	Miscellaneous Equipment	\$0	P-49	\$0	\$0	100.0000%	\$0	\$0
50		TOTAL GENERAL PLANT	\$0		\$0	\$0		\$0	\$0
51		GENERAL PLANT - ALLOCATED							
52	0.000	Leasehold Improvements - Gen Plnt All	\$0	P-52	\$0	\$0	100.0000%	\$0	\$0
53	0.000	Office Equipment - Gen Plnt All	\$0	P-53	\$0	\$0	100.0000%	\$0	\$0
54	0.000	Transportation Equipment - Gen Plnt All	\$0	P-54	\$0	\$0	100.0000%	\$0	\$0
55		TOTAL GENERAL PLANT - ALLOCATED	\$0		\$0	\$0		\$0	\$0
56		TOTAL PLANT IN SERVICE	\$91,730,278		\$0	\$91,730,278		\$0	\$91,730,278

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Adjustments to Plant in Service

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
Plant Adj. Number	Plant In Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment Amount	Jurisdictional Adjustments	Total Jurisdictional Adjustments
Total Plant Adjustments				\$0		\$0

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Depreciation Expense

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Line Number	Account Number	Plant Account Description	MO Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
1		INTANGIBLE PLANT			
2	302.000	Franchise and Consents	\$0	0.00%	\$0
3	303.000	Work Force Automation	\$0	0.00%	\$0
4	303.000	Corrosion Control Management System	\$0	0.00%	\$0
5	303.000	Land & Survey / Engr. Consulting	\$0	0.00%	\$0
6	303.000	Premise Data Systems	\$0	0.00%	\$0
7	303.000	AMR Project - Programming	\$0	0.00%	\$0
8	303.000	Geographic Information System	\$0	0.00%	\$0
9	303.000	Customer Service System	\$0	0.00%	\$0
10	303.000	Mainframe Software	\$0	0.00%	\$0
11	303.000	Website	\$0	0.00%	\$0
12	303.000	Stoner Low Pressure Model	\$0	0.00%	\$0
13	303.000	TCS System	\$0	0.00%	\$0
14	303.000	GEO Tax Software1	\$0	0.00%	\$0
15	303.000	GEO Tax Software	\$0	0.00%	\$0
16	303.000	Oracle Software	\$0	0.00%	\$0
17	303.000	Oracle Software	\$0	0.00%	\$0
18	303.000	Power Plant Software	\$0	0.00%	\$0
19	303.000	Virtual Hold Call Center	\$0	0.00%	\$0
20	303.000	Witness Software	\$0	0.00%	\$0
21	303.000	Infinium Software	\$0	0.00%	\$0
22		TOTAL PLANT INTANGIBLE	\$0		\$0
23		DISTRIBUTION PLANT			
24	367.000	ROW, Materials & Steel Pipeline 6" (Transmission)	\$34,217,778	2.00%	\$684,356
25	368.000	Pressure Regulators & Compressor Stations (Transmission)	\$21,098	2.00%	\$422
26	374.000	Land - Dist Plant	\$0	0.00%	\$0
27	376.000	Distribution System	\$57,491,402	2.00%	\$1,149,828
28	381.000	Meters	\$0	0.00%	\$0
29	382.000	Meters Installation - Dist Plant	\$0	0.00%	\$0
30	384.000	House Regulators - Dist Plant	\$0	0.00%	\$0
31	385.000	Electronic Gas Measuring	\$0	0.00%	\$0
32	386.000	Other	\$0	0.00%	\$0
33		TOTAL DISTRIBUTION PLANT	\$91,730,278		\$1,834,606
34		PRODUCTION PLANT			
35		TOTAL PRODUCTION PLANT	\$0		\$0
36		GENERAL PLANT			
37	389.000	Land - Gen Plant	\$0	0.00%	\$0
38	390.100	Structures - Gen Plant	\$0	0.00%	\$0

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Depreciation Expense

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Line Number	Account Number	Plant Account Description	MO Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
39	390.200	Leasehold Improvements - Gen Plant	\$0	0.00%	\$0
40	391.000	Office Furniture & Equipment	\$0	0.00%	\$0
41	391.100	Computers	\$0	0.00%	\$0
42	392.000	Transportation Equipment	\$0	0.00%	\$0
43	393.000	Stores Equipment	\$0	0.00%	\$0
44	394.000	Tools, Shop, & Garage Equipment	\$0	0.00%	\$0
45	395.000	Laboratory Equipment	\$0	0.00%	\$0
46	396.000	Communication Equipment - AMR	\$0	0.00%	\$0
47	397.100	Power Operated Equipment	\$0	0.00%	\$0
48	397.000	Communications Equipment	\$0	0.00%	\$0
49	398.000	Miscellaneous Equipment	\$0	0.00%	\$0
50		TOTAL GENERAL PLANT	\$0		\$0
51		GENERAL PLANT - ALLOCATED			
52		Leasehold Improvements - Gen Plnt All	\$0	0.00%	\$0
53		Office Equipment - Gen Plnt All	\$0	0.00%	\$0
54		Transportation Equipment - Gen Plnt All	\$0	0.00%	\$0
55		TOTAL GENERAL PLANT - ALLOCATED	\$0		\$0
56		Total Depreciation	\$91,730,278		\$1,834,606

Summit Natural Gas Of Missouri, Inc.  
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Certificate of Convenience Necessity  
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	302.000	Franchise and Consents	\$0	R-2	\$0	\$0	100.0000%	\$0	\$0
3	303.000	Work Force Automation	\$0	R-3	\$0	\$0	100.0000%	\$0	\$0
4	303.000	Corrosion Control Management System	\$0	R-4	\$0	\$0	100.0000%	\$0	\$0
5	303.000	Land & Survey / Engr. Consulting	\$0	R-5	\$0	\$0	100.0000%	\$0	\$0
6	303.000	Premise Data Systems	\$0	R-6	\$0	\$0	100.0000%	\$0	\$0
7	303.000	AMR Project - Programming	\$0	R-7	\$0	\$0	100.0000%	\$0	\$0
8	303.000	Geographic Information System	\$0	R-8	\$0	\$0	100.0000%	\$0	\$0
9	303.000	Customer Service System	\$0	R-9	\$0	\$0	100.0000%	\$0	\$0
10	303.000	Mainframe Software	\$0	R-10	\$0	\$0	100.0000%	\$0	\$0
11	303.000	Website	\$0	R-11	\$0	\$0	100.0000%	\$0	\$0
12	303.000	Stoner Low Pressure Model	\$0	R-12	\$0	\$0	100.0000%	\$0	\$0
13	303.000	TCS System	\$0	R-13	\$0	\$0	100.0000%	\$0	\$0
14	303.000	GEO Tax Software1	\$0	R-14	\$0	\$0	100.0000%	\$0	\$0
15	303.000	GEO Tax Software	\$0	R-15	\$0	\$0	100.0000%	\$0	\$0
16	303.000	Oracle Software	\$0	R-16	\$0	\$0	100.0000%	\$0	\$0
17	303.000	Oracle Software	\$0	R-17	\$0	\$0	100.0000%	\$0	\$0
18	303.000	Power Plant Software	\$0	R-18	\$0	\$0	100.0000%	\$0	\$0
19	303.000	Virtual Hold Call Center	\$0	R-19	\$0	\$0	100.0000%	\$0	\$0
20	303.000	Witness Software	\$0	R-20	\$0	\$0	100.0000%	\$0	\$0
21	303.000	Infinium Software	\$0	R-21	\$0	\$0	100.0000%	\$0	\$0
22		TOTAL PLANT INTANGIBLE	\$0		\$0	\$0		\$0	\$0
23		DISTRIBUTION PLANT							
24	367.000	ROW, Materials & Steel Pipeline 6" (Transmission)	\$3,120,344	R-24	\$0	\$3,120,344	100.0000%	\$0	3120344
25	368.000	Pressure Regulators & Compressor Stations (Transmission)	\$1,924	R-25	\$0	\$1,924	100.0000%	\$0	1924
26	374.000	Land - Dist Plant	\$0	R-26	\$0	\$0	100.0000%	\$0	\$0
27	376.000	Distribution System	\$5,242,681	R-27	\$0	\$5,242,681	100.0000%	\$0	\$5,242,681
28	381.000	Meters	\$0	R-28	\$0	\$0	100.0000%	\$0	\$0
29	382.000	Meters Installation - Dist Plant	\$0	R-29	\$0	\$0	100.0000%	\$0	\$0
30	384.000	House Regulators - Dist Plant	\$0	R-30	\$0	\$0	100.0000%	\$0	\$0
31	385.000	Electronic Gas Measuring	\$0	R-31	\$0	\$0	100.0000%	\$0	\$0
32	386.000	Other	\$0	R-32	\$0	\$0	100.0000%	\$0	\$0
33		TOTAL DISTRIBUTION PLANT	\$8,364,949		\$0	\$8,364,949		\$0	\$8,364,949
34		PRODUCTION PLANT							
35		TOTAL PRODUCTION PLANT	\$0		\$0	\$0		\$0	\$0
36		GENERAL PLANT							
37	389.000	Land - Gen Plant	\$0	R-37	\$0	\$0	100.0000%	\$0	\$0
38	390.100	Structures - Gen Plant	\$0	R-38	\$0	\$0	100.0000%	\$0	\$0
39	390.200	Leasehold Improvements - Gen Plant	\$0	R-39	\$0	\$0	100.0000%	\$0	\$0
40	391.000	Office Furniture & Equipment	\$0	R-40	\$0	\$0	100.0000%	\$0	\$0
41	391.100	Computers	\$0	R-41	\$0	\$0	100.0000%	\$0	\$0
42	392.000	Transportation Equipment	\$0	R-42	\$0	\$0	100.0000%	\$0	\$0
43	393.000	Stores Equipment	\$0	R-43	\$0	\$0	100.0000%	\$0	\$0
44	394.000	Tools, Shop, & Garage Equipment	\$0	R-44	\$0	\$0	100.0000%	\$0	\$0
45	395.000	Laboratory Equipment	\$0	R-45	\$0	\$0	100.0000%	\$0	\$0
46	396.000	Communication Equipment - AMR	\$0	R-46	\$0	\$0	100.0000%	\$0	\$0
47	397.100	Power Operated Equipment	\$0	R-47	\$0	\$0	100.0000%	\$0	\$0
48	397.000	Communications Equipment	\$0	R-48	\$0	\$0	100.0000%	\$0	\$0
49	398.000	Miscellaneous Equipment	\$0	R-49	\$0	\$0	100.0000%	\$0	\$0
50		TOTAL GENERAL PLANT	\$0		\$0	\$0		\$0	\$0
51		GENERAL PLANT - ALLOCATED							
52		Leasehold Improvements - Gen Plnt All	\$0	R-52	\$0	\$0	100.0000%	\$0	\$0
53		Office Equipment - Gen Plnt All	\$0	R-53	\$0	\$0	100.0000%	\$0	\$0
54		Transportation Equipment - Gen Plnt All	\$0	R-54	\$0	\$0	100.0000%	\$0	\$0
55		TOTAL GENERAL PLANT - ALLOCATED	\$0		\$0	\$0		\$0	\$0
56		TOTAL DEPRECIATION RESERVE	\$8,364,949		\$0	\$8,364,949		\$0	\$8,364,949

Summit Natural Gas Of Missouri, Inc.  
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Certificate of Convenience Necessity  
Adjustments for Depreciation Reserve

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount	<u>F</u> Jurisdictional Adjustments	<u>G</u> Total Jurisdictional Adjustments
Total Reserve Adjustments				\$0		\$0



Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
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Certificate of Convenience Necessity  
Cash Working Capital

Line Number	A Description	B Test Year Adj. Expenses	C Revenue Lag	D Expense Lag	E Net Lag C - D	F Factor (Col E / 365)	G CWC Req B x F
1	OPERATION AND MAINT. EXPENSE						
2	Payroll and Employee Withholdings	\$0	0.00	0.00	0.00	0.000000	\$0
3	Vacation Union	\$0	0.00	0.00	0.00	0.000000	\$0
4	Pension Expense	\$0	0.00	0.00	0.00	0.000000	\$0
5	Employee Benefits	\$0	0.00	0.00	0.00	0.000000	\$0
6	Purchased Gas Expense	\$0	0.00	0.00	0.00	0.000000	\$0
7	Purchased Gas Expense (Back out)	\$0	0.00	0.00	0.00	0.000000	\$0
8	Bad Debt Expense	\$0	0.00	0.00	0.00	0.000000	\$0
9	Cash Vouchers	\$143,092	0.00	0.00	0.00	0.000000	\$0
10	TOTAL OPERATION AND MAINT. EXPENSE	\$143,092					\$0
11	TAXES						
12	Property Tax	\$0	0.00	0.00	0.00	0.000000	\$0
13	State Franchise Taxes	\$0	0.00	0.00	0.00	0.000000	\$0
14	Employer Portion of FICA	\$0	0.00	0.00	0.00	0.000000	\$0
15	Federal and State Unemployment Tax	\$0	0.00	0.00	0.00	0.000000	\$0
16	Use Tax	\$0	0.00	0.00	0.00	0.000000	\$0
17	Sales Tax	\$0	0.00	0.00	0.00	0.000000	\$0
18	Gross Receipts Tax	\$0	0.00	0.00	0.00	0.000000	\$0
19	TOTAL TAXES	\$0					\$0
20	OTHER EXPENSES						
21	Gas Costs	\$0	0.00	0.00	0.00	0.000000	\$0
22	TOTAL OTHER EXPENSES	\$0					\$0
23	CWC REQ'D BEFORE RATE BASE OFFSETS						\$0
24	TAX OFFSET FROM RATE BASE						
25	Federal Tax Offset	\$335,083	0.00	0.00	0.00	0.000000	\$0
26	State Tax Offset	\$54,533	0.00	0.00	0.00	0.000000	\$0
27	City Tax Offset	\$0	0.00	0.00	0.00	0.000000	\$0
28	Interest Expense Offset	\$2,386,210	0.00	0.00	0.00	0.000000	\$0
29	TOTAL OFFSET FROM RATE BASE	\$2,775,826					\$0
30	TOTAL CASH WORKING CAPITAL REQUIRED						\$0

Summit Natural Gas Of Missouri, Inc.  
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Certificate of Convenience Necessity  
Income Statement

Line Number	A Category Description	B Total Test Year	C Test Year Labor	D Test Year Non Labor	E Adjustments	F Total Company Adjusted	G Jurisdictional Adjustments	H MO Final Adj Jurisdictional	I MO Juris. Labor	J MO Juris. Non Labor
1	TOTAL OPERATING REVENUES	\$8,004,117	See Note (1)	See Note (1)	See Note (1)	\$8,004,117	\$0	\$8,004,117	See Note (1)	See Note (1)
2	TOTAL GAS SUPPLY EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	TOTAL NATURAL GAS STORAGE EXPENSE	\$55,054	\$55,054	\$0	\$0	\$55,054	\$0	\$55,054	\$55,054	\$0
4	TOTAL TRANSMISSION EXPENSES	\$55,053	\$55,053	\$0	\$0	\$55,053	\$0	\$55,053	\$55,053	\$0
5	TOTAL PRODUCTION EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL DISTRIBUTION EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	TOTAL CUSTOMER ACCOUNTS EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	TOTAL CUSTOMER SERVICE & INFO. EXP.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL SALES EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	TOTAL ADMIN. & GENERAL EXPENSES	\$32,985	\$26,344	\$6,641	\$0	\$32,985	\$0	\$32,985	\$26,344	\$6,641
11	TOTAL DEPRECIATION EXPENSE	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$1,834,606	\$1,834,606	See Note (1)	See Note (1)
12	TOTAL AMORTIZATION EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	TOTAL OTHER OPERATING EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	TOTAL OPERATING EXPENSE	\$143,092	\$136,451	\$6,641	\$0	\$143,092	\$1,834,606	\$1,977,698	\$136,451	\$6,641
15	NET INCOME BEFORE TAXES	\$7,861,025	\$0	\$0	\$0	\$7,861,025	-\$1,834,606	\$6,026,419	\$0	\$0
16	TOTAL INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$4,078	\$4,078	See Note (1)	See Note (1)
17	TOTAL DEFERRED INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$1,349,866	\$1,349,866	See Note (1)	See Note (1)
18	NET OPERATING INCOME	\$7,861,025	\$0	\$0	\$0	\$7,861,025	-\$3,188,550	\$4,672,475	\$0	\$0

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes

Summit Natural Gas Of Missouri, Inc.  
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Certificate of Convenience Necessity  
Adjustments to Income Statement Detail

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
Income Adj. Number	Income Adjustment Description	Account Number	Company Adjustment Labor	Company Adjustment Non Labor	Company Adjustments Total	Jurisdictional Adjustment Labor	Jurisdictional Adjustment Non Labor	Jurisdictional Adjustments Total
E-107	Depreciation Expense, Dep. Exp.		\$0	\$0	\$0	\$0	\$1,834,606	\$1,834,606
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$1,834,606	
E-124	Current Income Taxes		\$0	\$0	\$0	\$0	\$4,078	\$4,078
	1. To Annualize Current Income Taxes		\$0	\$0		\$0	\$4,078	
E-127	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0	\$1,349,866	\$1,349,866
	1. To Annualize Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0		\$0	\$1,349,866	
	2. No Adjustment		\$0	\$0		\$0	\$0	
Total Operating Revenues			\$0	\$0	\$0	\$0	\$0	\$0
Total Operating & Maint. Expense			\$0	\$0	\$0	\$0	\$3,188,550	\$3,188,550

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 6.76% Return	E 6.87% Return	F 6.97% Return
1	TOTAL NET INCOME BEFORE TAXES		\$6,026,419	\$6,917,492	\$7,046,036	\$7,175,817
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		\$1,834,606	\$1,834,606	\$1,834,606	\$1,834,606
4	Test		\$0	\$0	\$0	\$0
5	TOTAL ADD TO NET INCOME BEFORE TAXES		\$1,834,606	\$1,834,606	\$1,834,606	\$1,834,606
6	SUBT. FROM NET INC. BEFORE TAXES					
7	Interest Expense calculated at the Rate of	3.0870%	\$2,386,210	\$2,386,210	\$2,386,210	\$2,386,210
8	Tax Straight-Line Depreciation		\$1,834,606	\$1,834,606	\$1,834,606	\$1,834,606
9	Excess Tax Depreciation		\$3,619,754	\$3,619,754	\$3,619,754	\$3,619,754
10	TOTAL SUBT. FROM NET INC. BEFORE TAXES		\$7,840,570	\$7,840,570	\$7,840,570	\$7,840,570
11	NET TAXABLE INCOME		\$20,455	\$911,528	\$1,040,072	\$1,169,853
12	PROVISION FOR FED. INCOME TAX					
13	Net Taxable Inc. - Fed. Inc. Tax		\$20,455	\$911,528	\$1,040,072	\$1,169,853
14	Deduct Missouri Income Tax at the Rate of	100.000%	\$1,188	\$47,793	\$54,533	\$61,338
15	Deduct City Inc Tax - Fed. Inc. Tax		\$0	\$0	\$0	\$0
16	Federal Taxable Income - Fed. Inc. Tax		\$19,267	\$863,735	\$985,539	\$1,108,515
17	Federal Income Tax at the Rate of	See Tax Table	\$2,890	\$293,670	\$335,084	\$376,895
18	Subtract Federal Income Tax Credits					
19	Credit - Solar		\$0	\$0	\$0	\$0
20	Net Federal Income Tax		\$2,890	\$293,670	\$335,084	\$376,895
21	PROVISION FOR MO. INCOME TAX					
22	Net Taxable Income - MO. Inc. Tax		\$20,455	\$911,528	\$1,040,072	\$1,169,853
23	Deduct Federal Income Tax at the Rate of	50.000%	\$1,445	\$146,835	\$167,542	\$188,448
24	Deduct City Income Tax - MO. Inc. Tax		\$0	\$0	\$0	\$0
25	Missouri Taxable Income - MO. Inc. Tax		\$19,010	\$764,693	\$872,530	\$981,405
26	Missouri Income Tax at the Rate of	6.250%	\$1,188	\$47,793	\$54,533	\$61,338
27	PROVISION FOR CITY INCOME TAX					
28	Net Taxable Income - City Inc. Tax		\$20,455	\$911,528	\$1,040,072	\$1,169,853
29	Deduct Federal Income Tax - City Inc. Tax		\$0	\$0	\$0	\$0
30	Deduct Missouri Income Tax - City Inc. Tax		\$0	\$0	\$0	\$0
31	City Taxable Income		\$20,455	\$911,528	\$1,040,072	\$1,169,853
32	City Income Tax at the Rate of	0.000%	\$0	\$0	\$0	\$0
33	SUMMARY OF CURRENT INCOME TAX					
34	Federal Income Tax		\$2,890	\$293,670	\$335,084	\$376,895
35	State Income Tax		\$1,188	\$47,793	\$54,533	\$61,338
36	City Income Tax		\$0	\$0	\$0	\$0
37	TOTAL SUMMARY OF CURRENT INCOME TAX		\$4,078	\$341,463	\$389,617	\$438,233
38	DEFERRED INCOME TAXES					
39	Deferred Income Taxes - Def. Inc. Tax.		\$1,349,866	\$1,349,866	\$1,349,866	\$1,349,866
40	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
41	Deferred Income Tax - Test Line		\$0	\$0	\$0	\$0
42	TOTAL DEFERRED INCOME TAXES		\$1,349,866	\$1,349,866	\$1,349,866	\$1,349,866
43	TOTAL INCOME TAX		\$1,353,944	\$1,691,329	\$1,739,483	\$1,788,099

Summit Natural Gas Of Missouri, Inc.  
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Certificate of Convenience Necessity  
Income Tax Calculation

Line Number	<u>A</u> Description	<u>B</u> Percentage Rate	<u>C</u> Test Year	<u>D</u> 6.76% Return	<u>E</u> 6.87% Return	<u>F</u> 6.97% Return
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Federal Tax Table					
Federal Income Taxes		\$19,267	\$863,735	\$985,539	\$1,108,515
15% on first \$50,000		\$2,890	\$7,500	\$7,500	\$7,500
25% on next \$25,000		\$0	\$6,250	\$6,250	\$6,250
34% > \$75,000 < \$100,001		\$0	\$8,500	\$8,500	\$8,500
39% > \$100,000 < \$335,001		\$0	\$91,650	\$91,650	\$91,650
34% > \$335,000 < \$10,000,001		\$0	\$179,770	\$221,183	\$262,995
35% > \$10MM < \$15,000,001		\$0	\$0	\$0	\$0
38% > \$15MM < \$18,333,334		\$0	\$0	\$0	\$0
35% > \$18,333,333		\$0	\$0	\$0	\$0
Total Federal Income Taxes		\$2,890	\$293,670	\$335,083	\$376,895

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Capital Structure Schedule

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
Line Number	Description	Dollar Amount	Percentage of Total Capital Structure	Embedded Cost of Capital	Weighted Cost of Capital 8.80%	Weighted Cost of Capital 9.05%	Weighted Cost of Capital 9.30%
1	Common Stock	\$38,019,684	41.75%		3.674%	3.778%	3.883%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
4	Long Term Debt	\$53,048,165	58.25%	5.30%	3.087%	3.087%	3.087%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
6	Other Security Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
7	TOTAL CAPITALIZATION	\$91,067,849	100.00%		6.761%	6.865%	6.970%
8	PreTax Cost of Capital				7.676%	7.806%	7.937%

Summit Natural Gas Of Missouri, Inc.  
File No. GA-2012-0285  
5th Year of Feasibility Study CY 2016  
Certificate of Convenience Necessity  
Executive Case Summary

<u>A</u>		<u>B</u>
Line Number	Description	Amount
1	Annualized Missouri Retail Revenues	\$8,004,117
2	Annualized Customer Numbers	0
3	Annualized Customer Usage	0
4	Profit (Return on Equity)	\$2,920,344
5	Interest Expense	\$2,386,210
6	Annualized Payroll	\$136,451
7	Utility Employees	0
8	Depreciation	\$1,834,606
9	Net Investment Plant	\$83,365,329
10	Pensions	\$0

**Appendix #**

**Summit Natural Gas of Missouri, Inc.**

**DEPRECIATION RATES**

**GA-2012-0285**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	Net Salvge	Avg Service Life (years)
	<b>TRANSMISSION PLANT</b>			
366	Structures and improvements.	2.00%	0.00%	50
367	Mains.	2.00%	0.00%	50
368	Compressor station equipment.	2.00%	0.00%	50
369	Measuring and regulating station equipment.	2.00%	0.00%	50
370	Communication equipment.	2.00%	0.00%	50
371	Other equipment.	2.00%	0.00%	50
	<b>DISTRIBUTION PLANT</b>			
375	Structures and improvements.	2.00%	0.00%	50
376	Mains.	2.00%	0.00%	50
377	Compressor station equipment.	2.00%	0.00%	50
378	Measuring and regulating station equipment-General.	2.00%	0.00%	50
379	Measuring and regulating station equipment-City gate check stations.	2.00%	0.00%	50
380	Services.	2.00%	0.00%	50
381	Meters.	2.00%	0.00%	50
382	Meter installations.	2.00%	0.00%	50
383	House regulators.	2.00%	0.00%	50
384	Home regulatory installations.	2.00%	0.00%	50
385	Industrial measuring and regulating station equipment.	2.00%	0.00%	50
386	Other property on customer's premises.	2.00%	0.00%	50
387	Other equipment.	2.00%	0.00%	50
	<b>GENERAL PLANT</b>			
390	Structures and improvements.	2.00%	0.00%	50
391	Office furniture and equipment.	5.00%	0.00%	20
391.1	Computer equipment.	12.90%	10.00%	7
392	Transportation equipment.	12.90%	10.00%	7
393	Stores equipment.	4.00%	0.00%	25
394	Tools, shop and garage equipment.	5.00%	0.00%	20
395	Laboratory equipment.	5.00%	0.00%	20
396	Power operated equipment.	6.70%	20.00%	12
397	Communications equipment	6.70%	0.00%	15
398	Miscellaneous equipment.	5.00%	0.00%	20



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

In the Matter of the Application of )  
Summit Natural Gas of Missouri, Inc., )  
for a Certificate of Convenience and )  
Necessity Authorizing it to Construct, )  
Install, Own, Operate, Control, Manage )  
and Maintain a Distribution System to )  
Provide Gas Service in Benton, Morgan, )  
Camden and Miller Counties in )  
Missouri, as a Certificated Area )

File No. GA-2012-0285

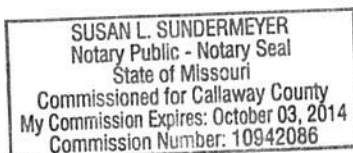
**AFFIDAVIT OF KIM COX**

**STATE OF MISSOURI** )  
 ) ss  
**COUNTY OF COLE** )

Kim Cox, of lawful age, on oath states: that she has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.

  
\_\_\_\_\_  
Kim Cox

Subscribed and sworn to before me this 1 day of June, 2012.



  
\_\_\_\_\_  
Notary Public


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

In the Matter of the Application of Summit )  
Natural Gas of Missouri, Inc., for a )  
Certificate of Convenience and Necessity )  
Authorizing it to Construct, Install, Own, ) File No. GA-2012-0285  
Operate, Control, Manage and Maintain a )  
Distribution System to Provide Gas Service )  
in Benton, Morgan, Camden and Miller )  
Counties in Missouri, as a Certificated )  
Area )

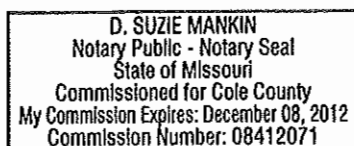
AFFIDAVIT OF PAUL R. HARRISON

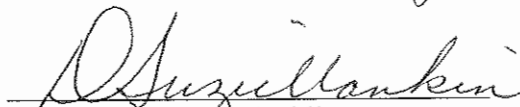
STATE OF MISSOURI     )  
                                      )     ss.  
COUNTY OF COLE     )

Paul R. Harrison, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
Paul R. Harrison

Subscribed and sworn to before me this 31<sup>st</sup> day of May, 2012.



  
\_\_\_\_\_  
Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT OF DERICK MILES, P.E.**

In the Matter of the Application of Summit )  
Natural Gas of Missouri, Inc., for a )  
Certificate of Convenience and Necessity )  
Authorizing it to Construct, Install, Own, )  
Operate, Control, Manage and Maintain a )  
Distribution System to Provide Gas Service )  
in Benton, Morgan, Camden and Miller )  
Counties in Missouri, as a Certificated )

Case No. GA-2012-0285

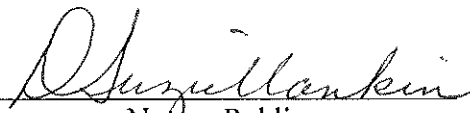
STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

Derick Miles, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.

  
Derick Miles, P.E.

Subscribed and sworn to before me this 31<sup>st</sup> day of May, 2012.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 08, 2012  
Commission Number: 08412071

  
Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT OF DAVID WILLIAMS**

In the Matter of the Application of Summit )  
Natural Gas of Missouri, Inc., for a )  
Certificate of Convenience and Necessity )  
Authorizing it to Construct, Install, Own, )  
Operate, Control, Manage and Maintain a )  
Distribution System to Provide Gas Service )  
in Benton, Morgan, Camden and Miller )  
Counties in Missouri, as a Certificated )

Case No. GA-2012-0285

**AFFIDAVIT OF DAVID WILLIAMS**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

David Williams, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.

David Williams  
David Williams

Subscribed and sworn to before me this 31<sup>st</sup> day of May, 2012.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: December 08, 2012  
Commission Number: 08412071

Suzie Mankin  
Notary Public